SMALL TOWN RETAIL CHANGE IN EAST TEXAS:
AN ANALYSIS OF RETAIL GROWTH, DECLINE, AND SPATIAL RECONFIGURATION

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In recent years, small towns have experienced declining levels of retail activity attributable to a variety of factors. Previously conducted research identifies a number of these factors such as changing population dynamics, continuously evolving retail practices, locational factors, and an assortment of other macroeconomic factors. Although retail decline is common for many small towns, there are some small towns that have been able to maintain their viability in an ever-changing economic climate.

The primary purpose of this research is to better understand what spatial and socio-economic characteristics contribute to retail growth and decline in a series of small towns. This research highlights a selection of small towns across a 14 county area within east Texas. The selection of small towns includes a number of towns with an increasing number of retail establishments as well as a number of towns with decreasing retail establishments over the 14 year study timeframe.

Contained within this research is a discussion of small town economic and retail development, as well as findings regarding spatial and socio-economic characteristics as they relate to retail growth and decline in small towns. This research finds that locational characteristics do have an effect on retail growth and decline. The research also supports the literature, which states retail growth and decline is more pronounced within certain retail categories.

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CHAPTER I

INTRODUCTION

In a rapidly globalizing world, small towns have largely been unable to maintain a similar level of economic influence as their larger metropolitan counterparts as evidenced by issues such as lack of growth opportunities, declining and outdated economies, and the lack of the ability to create and maintain local employment. A considerable amount of research in recent years (see, Knox and Mayer [2009], Kenyon and Black [2001], Besser [2012], Powe and Hart [2009]) has analyzed the issues and challenges small towns economies face, as well as the cultural, environmental, and social issues experienced in rural areas as well as small municipalities. Unfortunately for many small towns, a noticeable decline in retail and retail oriented services has been one of the largest drivers within their overall economic decline.

One region where small town decline is an important and noticeable phenomenon is east Texas, the study focus for this research. A good definition for this region is the 14 county area defined by the East Texas Council of Governments (ETCOG). The ETCOG region has an abundance of small towns and a corresponding absence of metro areas with populations greater than 100,000 in the region. There were various considerations for the definition of east Texas as there are numerous definitions available. Ultimately the 14 county ETCOG definition was selected due to overlapping interests of both this research and the goals outlined by the ETCOG[1]. Specifically, this

[1] From the ETCOG webpage (etcog.org) “ETCOG assists local governments in planning for common needs, cooperating for mutual benefit and coordination for sound regional development.”

research desires to better understand the local economic climate – specifically the retail sector – within the east Texas region, which will ultimately benefit individuals within the public and private sectors alike. The ETCOG region has historically been host to many small towns and due to its small town composition the region was selected as an appropriate venue to study small town decline. As Rodgers (2000) states, the economy within [north]east Texas was historically driven by agricultural activity which occurred primarily in rural areas and small towns. Over time, changing economic trends created a loss of capital in the region. While not concerned with the general loss of capital in the east Texas region, this study seeks to explore a component of the economy (specifically, retail) in the area through an analysis of a series of small towns. Additionally, the author's familiarity with the region having lived within one of the ETCOG counties for 18 years was a decisive factor in determining a specific region to study.

The goal of this research is to clarify and understand what economic and socio-spatial factors contribute to small town retail change in east Texas. Broadly speaking, the question at the heart of this research is "*What economic and socio-spatial factors contribute to retail success in small east Texas towns, and why has retail in some small towns struggled to thrive*?" For the purpose of this research, "success" is defined as a growing number of retail establishments within the small towns between the years of 1998 and 2012. By examining the retail landscape of a selected number of small towns across the 14 county study area, seeks to explore at a deeper level what socio-spatial characteristics lead to a healthy, thriving retail sector at both a local level (the towns) and the region. Ultimately, the findings will provide better insight to both the public (local

governments can help establish initiatives that spur retail and economic development) and private (retailers will be able to identify desirable characteristics of local economies) sectors of small town economies, as well as adding to the steadily growing body of knowledge within the economic, development and business geography communities.

CHAPTER II

LITERATURE REVIEW

Literature Review Background

In terms of the relevance of this particular research, it has been widely discussed that an overall economic decline has been the general trend for many small towns. With this research focusing on an area that is seemingly on the decline, the question – or at least variations thereof – becomes, "*Why study small towns in the first place*?" As such a question does often get asked, it is worthwhile that some brief discussion is provided that qualifies the importance of small town economic research. One of the most succinct and insightful comments regarding the importance of studying small town economies comes from Lambe's (2008) text in which he calls upon a letter written by the President of the North Carolina Economic Development Center. In the letter, the President states, "[Research] grew out of the recognition that North Carolina's smallest places serve a major role in the economic, social, and cultural well-being of the state as a whole…" Specifically concerning the importance of research focused on small town retail, Francaviglia (1996) states that although small town retail is oftentimes stagnant, it is still an important part of the local community. Robertson (1997) furthers this idea, contending that a robust retail presence in small towns is imperative to the vitality of a community. Finally, Leeuwen and Rietvald (2011) note that a town's retail sector and the town's vitality are in many cases related to one another (although it is also worthwhile to briefly mentioned that Powe et al., [2009] state that this has yet to be proven empirically). It is worth stating that there is plentiful literature discussing retail in

nonmetropolitan areas, especially the traditional downtown regions of these nonmetropolitan areas. Powe (2012) claims that there is a general consensus within the geographic literature that small towns – especially the retail structure and greater economic climate of small towns – tends to get overlooked or altogether neglected. Of additional note in the context of this research Pittman and Culp (1995) argue that although retail activity is not always necessarily seen as a traditional type of economic development for a place, it does serve such a function in certain cases. Examples provided by the authors are when localities bring in external expenditures from people or organizations, and when outside leakage of expenditures is minimized within the community potentially fostering further development at a local level. Calling upon studies such as these, it is easy to see that small town economies – specifically the retail industry – is an area that should be studied with greater attention. Additionally, the growing research disparity between metropolitan areas and more rural areas serves to illustrate the need for more research on small towns.

Upon establishing the importance of researching small town economic issues, there are three key bodies of literature that guide and direct this thesis. The first of these bodies of literature is termed here as the “Small Town Economic Development” literature. Included within this body of literature are two overarching themes. The first theme focuses on the development of small town economies and the development of these areas in a historical context; the second theme features discussions on the general decline of small town economies. The second element featured in this literature review deals more exclusively with the geography of nonmetropolitan-oriented retail, termed throughout as the “Small Town Retail Landscape”. This includes discussions on

the distribution of retail within towns, the types of retail in small towns, and some of the larger effects of retail on small town economies. A third and final section is provided within the literature review that discusses the idea of growth poles as it pertains to economic development at a regional scale as well as a local scale. Embedded within this discussion is additional commentary on the political economic geography of small towns.

Small Town Economic Development

Within a central place framework, small towns have historically functioned as service centers of economic and cultural importance to their hinterlands – i.e. the rural areas surrounding small towns. As Lingeman (1980) states, small towns have for quite some time been useful for surrounding rural communities in numerous ways. Historically speaking, one way small towns served an important purpose was as shipping centers (places) for farm commodities and raw materials, which benefited the surrounding rural areas that otherwise had very limited – if any – ability to trade their products. In turn, this meant small towns also provided important retail functions for the hinterlands. Using a central place framework, it becomes easier to see the importance of small towns' geographic distribution, and some spatial patterns begin to emerge. Additionally, the functionality and significance of these small towns – e.g. providing basic day-to-day goods and services such as gas stations, smaller scale grocery stores, and other basic needs – becomes more visible within a central place framework.

In the context of east Texas, it becomes apparent that many small towns have served as important centers for their surrounding hinterlands, as east Texas has

historically been a region largely dominated by economic activity belonging to the primary sector. Specifically in the case of east Texas, most of the primary economic activity derives from the lumber industry, small-scale agricultural operations, and perhaps most notably the oil and gas industry. Given the lack of accessibility to higher order centers such as Tyler and Longview – at least until the time the automobile became more commonly owned and used it was more rare that long trips to these areas would be taken - the function of small towns as retail centers for the surrounding rural areas becomes even more apparent. There are multiple studies that have documented the impact of mobility – specifically highways and the increased dependence upon automobile usage – and its effects on small town retail. Among the biggest contributing factors of increased mobility as it pertains to the decline of small town retail that can still be seen today are suburbanization and the suburban shopping mall. As Johansen and Fuguitt (1979) state, a combination of these factors often played a crucial part in transforming small towns from once thriving areas into obsolete retail centers on the periphery. Although the full scope of suburbanization's effects as it pertains to small town economic development decline is far too exhaustive to be extensively covered in the forthcoming discussion, some aspects such as the impact of highways and changing population trends are well worth covering in more depth.

The central place literature does not come without its own theoretical flaws, some of which Christaller also acknowledged in his seminal works. More recent research (see Pacione, 2009) states that some of the central place framework's shortcomings include the lack of ability to account for consumer behavior. For instance increased mobility lends to less consumer restriction, which often leads to the consumer's choice to shop

in areas with more retail selection as opposed to visiting the nearest locale when constricted by lower mobility. As such, the central place framework in the case of this research is acknowledged to provide some a historical background to the spatial distribution of small towns within the study area. Additionally, the contrasting developmental approaches of whether locally driven development is more beneficial or if external forces need to factor into developmental practices appears to be slightly more muddled than these two approaches distinctly state. This goes back to the idea that no two places are the same, and whereas one approach may work best in one location, a dissimilar approach may be more useful in another. Likewise, it is possible that the local approach is the best practice for a given timeframe, but at some point external forces will come into play as non-local investors see the growth potential of new retail ventures vis-á-vis the town's high level of vitality. An example provided within the literature for local and external development approaches comes from Johnson's (2006) work. Johnson's claims that rural areas with significant natural amenities and/or recreational opportunities (it is no coincidence that these two are often found in conjunction) have "new prospects for growth and development". However, without a supportive and proactive local approach even natural amenities with the strongest economic gravity will struggle to help sustain retail economies.

The importance of a few underlying economic principles – especially as these principles relate to small towns and their economies – cannot be understated. Wall (1999) studies thriving small towns across the nation and discusses 20 "clues to rural community survival", one of which is an "active economic development program". With this in mind, the question of whether or not analyzing the retail setting of a town is a

viable method and approach for understanding the broader economic climate. To answer this, Gibson et al. (2003) state that retail trade is a suitable focus for determining real economic development in their study which focuses on retail development in rural Arizona. The implication of this is that although retail trade may be a small sector of a town's or even a region's broader economy, it certainly can be a proper lens through which a small town's economic development can be studied. Finally, Leeuwen and Rietveld (2011) argue spatial awareness for retailers in small towns is important in regards to socio-economic factors (for example, wealthier populations have the luxury of travelling around to shop more easily). In addition, the authors establish that by improving the local job market (i.e. creating new jobs), this can potentially attract more retail customers at the local level.

It is also important to briefly review the approaches to small town economic development. Generally speaking, there are two approaches to small town economic development covered throughout the literature and, as Daniels (1989) contends, these schools of thought can be grouped into one of two camps. The first of these schools of thought considers that strong community participation can lead to more economic growth. The second states that non-local forces (for example, non-local investors) will be more beneficial in terms of spurring growth. As Daniels and other such as Lambe (2008) point out however, there is by no means a "one size fits all" approach to local economic development. The best approach any small town can take is to tailor strategies to their own unique needs. Additionally, Lambe (2008) provides insight into the importance of local economic development:

> *"In small towns, community development is economic development. If community development – compared with economic development – is generally considered to include a broader set of activities aimed at building the capacity of a community, then these case studies demonstration that [strategies] typically associated with community development are analogous with actions designed to produce economic outcomes." – Small Towns, Big Ideas, p. 3*

One of the community driven approaches to small town economic development lies in the improvement and capitalization upon certain internal traits of a place. For example, Knotwell (1995) asserts through a study of small towns in Nebraska that although some functions of small town retail will inevitably migrate to larger areas (i.e. leakage), there are ways in which small towns can effectively stem some of the tide, primarily through a human capital approach. Essentially, a human capital approach places emphasis on "investing" in a local community through various avenues, such as improved educational services and/or training the local labor force to increase productivity and output. Knotwell's argument within the small town context is that while positioning of a town may limit some economic development, improving local conditions through a human capital approach may increase local economic development potential.

Small Town Retail Landscape

With a review of the small town economic development literature in place, it is now important to focus on small town retail and retail strategies, termed here as the "small town retail landscape". As Dawson (2012) states, retail geography is extremely dynamic and is constantly undergoing change. One of the most commonly studied phenomenon within the retail geography literature as it pertains to small towns is the effect that big-box centers and/or discount general merchandisers – oftentimes WalMart

– has on the local economy (see, Neumark et al., 2009; Bonanno and Goetz, 2012; Hicks, 2009). Although the direct long-term effects of WalMart or any other big-box retailer locating within a small town is not the explicit focus of the research discussed in this research, it does deserve attention as some of the small towns featured in this research do have nearby big-box retailers. In addition, the impact of retail's dynamism – e.g. big-box retail, the changing role of CBDs, etc. – can be seen through this literature. Stone's (1997) research determines that towns in Iowa with populations less than 5,000 lost almost 50% of their retail trade in just over a decade after the introduction of a WalMart within the local retail community. Another important aspect of big-box retail incorporation is the effect felt within the retail employment sector. While it is true that there is a substantial body of literature that talks about the negative impacts for many small and local retail businesses post big-box entry into a small town retail market, there are also some studies that suggest the level of negative local impact may be over-reported (Hicks 2009). Although Neumark et al. (2008) point out WalMart does reduce county-level employment, the issue of WalMart's impact on local retail– e.g. consumer and producer welfare, retail businesses, employees and wages, etc. – includes both positive and negative impacts, and requires further research (Bonanno and Goetz, 2012). Additional studies such as one conducted by Ozment and Martin (1990) suggest there are potentially positive impacts on local businesses when WalMart locates within a county. This should however be annotated with the idea that WalMart's tendency to locate in faster growing communities could alter some of the results.

Since the effects of WalMart on the local retail climate is not the focus of this paper – albeit an important issue to consider – it is worthwhile to move on to other

components of the retail landscape literature as they relate to small town economies. An essential part of the small town retail landscape literature discusses the various strategies local retailers can employ to help maintain or even improve their retail viability. Stone et al. (2002) provide a few recommendations and strategies available for small businesses that have seen the negative impacts of a big-box retail locating locally, most of which place higher emphasis on customer service and ways to appeal to customers such as offering niche goods and services. In fact, there are many studies that suggest the best way for local retailers to stem the tide against retail leakage is to tailor strategies that appeal most directly to high quality customer service. An anonymously written article (1995) stresses that local independent retailers should use a combination of stocking niche merchandise not available at big-box centers alongside taking a more personable approach to selling such as listening to the needs of their customers. Continuing a similar line of thought, Klemz et al. (2008) determine a small town retailer's ability to exhibit a certain level of empathy with a customer will influence a customer's willingness to buy. Other possible ways to incorporate a similarly appealing strategy is for small town businesses to increase their interaction within the community (Kilkenny et al. 1999) as this has the potential to be reciprocated.

One of the best and most distinctive ways a small town can attract both retail firms and shoppers is making a concerted effort to incorporate unique historical infrastructure of the town – often a town or a downtown retail district – into the physical retail landscape of the town. Since small towns are typically places where small format retailers locate – often referred to as "Mom and Pop shops" – there have been some in depth discussions as to how a small town retailer can continue to thrive. As Robertson

(1997) states, small towns will have financial issues when it comes to supporting mixed-use centers, and the ability to capitalize upon a distinctive feature within the town such as a traditional “Main Street” is a highly useful and relatively easy retail development strategy. Given that many “Mom and Pop” retailers choose to locate in these Main Street districts rather than mixed-use centers, small towns should conceivably be able to draw up strategies that complement these features. The idea that small towns are often able to catalyze development around their historic areas – especially Main Streets – is a widely accepted thought within the small town retail landscape literature. Kunstler (1994) argues small towns should be able to take advantage of their historic infrastructure to create a mix of activities within downtown districts that larger cities will likely not be able to offer. A large portion of the literature specifically points to Main Street as the key point for retail development, but other areas such as towns with county seats (Fuguitt, 1965) are other potential unique areas that can play to the strengths of a small town’s retail landscape.

As discussed earlier, a large component of the retail geography literature focuses on the effect of big-box centers on small format retailers (i.e. Mom and Pop stores, independent retailers, small, localized chains, etc.) as these retail giants locate in small towns. Jones and Doucet (2000) bring forth an interesting component within their discussion that certain retail categories – namely, general merchandise retailers – have seen the largest growth among other retail categories in rural American areas. It is interesting to note that in recent years there are a considerable number of larger format retailers that have either reached or are nearing their peak maturity stage and are now employing various strategies for locating elsewhere, as evidenced by WalMart

Neighborhood Markets and their entry into small, nonmetropolitan locations. Moving forward, the small town retail landscape will need analyze the effects these smaller format versions of traditional category killers exercise on the local retail landscape. The other component of the small town retail landscape literature discussed above goes into some discussion regarding the traditional small town retail format(s) as it ties into the uniqueness of small towns – for example, traditional Main Streets, the downtown squares that often surround county courthouses, etc. While there is some discussion on this topic found within the small town retail landscape literature, this particular area could be strengthened even further with some dialogue regarding the amount and the types of capital investments found within these locales. For instance, are there sizable benefits to be found in situations where local governments and economic development corporations specifically target these traditional historic areas, or are these highly localized areas better deemed as lost causes in the presence of declining local economies? While it is likely that this would need to be analyzed on a case-by-case basis, its absence from the literature is compelling. This is one area in which the small town retail landscape literature can be strengthened by a brief further examination into the growth pole and political economic literatures.

Growth Poles and Political Economy in Small Towns

Although originally spawning from the discipline of economics, the concept of growth poles is an important inclusion in this literature review as it lends to the upcoming discussion regarding small town political economy. Additionally since this research deals with regional economic development at a general level – as growth poles often do – it has been included for further review and discussion.

The concept of growth poles or *"poles de croissance"* comes from François Perroux, a French economist who was concerned with how economic development occurred over space. This growth stemmed from a type of industry or an agglomeration of industries that coexisted over a given space. It is important to note in Perroux's (Perroux, 1955) original works this growth occurred in an abstract economic space, not a geographic space explicitly (Mønstead, 1974). As the idea of growth poles began to further develop and evolve, scholars began to utilize growth poles as a means to understand and analyze regional development at varying scales. Most importantly for the purposes of this research, these scholars began to utilize the ideas of growth poles as a lens to examine regional development more in tune with geographic space rather than an economic space, as Campbell (1974) points out.

As the growth pole literature continued to evolve, scholars began to use growth poles to understand the mostly flawed and failed regional economic development in periphery areas, as evidenced by Higgins (1983) who outlines the failures of growth pole strategy for development. (It is worthwhile to briefly mention that Perroux himself was initially interested in a similar idea and understanding why economies on the periphery were subjected to lagging economic development). In Higgins' (among other numerous other scholars) discussion on the utilization of growth poles as a failed regional economic development strategy, the spatial characteristics of growth pole theory become more evident. It is at this point where we begin to see any even more juncture of growth poles, growth poles as an economic development strategy and geographic space, although the research at hand is not interested in analyzing the regional growth pole development strategy. Rather, this research seeks to explore

areas of economic development – in this case, small towns – that may be contributing to varying rates of economic prosperity across the east Texas region in a similar lineage of growth poles. With the foundational concepts and ideas behind growth poles in mind, it is now beneficial to move towards a brief literature review of small town economic development from a political economic perspective.

Small town economic development as seen through a political economic lens provides interesting insight that is meaningful to discuss, especially since this perspective inherently provides a rich historical dimension. The term “political economy” can be difficult to concisely define; however, there is a large body of scholarly work done regarding the topic and its definition. Sheppard (2011) provides a very solid overview of the lineage of political economy, eventually leading to a discussion of political economy, subfields of political economy, and exactly how a political economic framework can prove to be valuable in discussing both geographic and regional economies. Among the most influential authors in the geography discipline, David Harvey often uses a political economy framework in discussing economic disparities existing between various points in space. This can be seen in Harvey’s (2001) discussion which discourses the idea of “fixed capital”. Although Harvey brings up multiple points throughout this research, the focus for the task at hand is the idea of the internal crisis – or perhaps crises – befalling capitalism. That is the idea of a “spatial fix” or that capitalist systems are constantly under pressure to expand. It is in this argument that we can begin to see the intersection of our earlier growth poles discussion and the ideas stemming from a political economic framework and furthermore, how these two ideas are beneficial in the scope of this research.

The east Texas region has traditionally been an area of the state that has relied heavily upon primary economic activity and calling back to the central place framework, the small towns in the region have served as lower order centers (Box et al., 1994; Hyatt and Hutchinson, 2005; Spratt, 2014). With the increasing rate in which capital is being channeled towards larger urban areas these small towns have been, in a sense, left behind and have “played their course”. This political economic perspective provides a different yet viable approach through which small town economic decline can be seen. Jolley et al. (2012) provide an interesting case study of outmigration and economic development of a rural North Carolina region. The research provides a solid discussion around the idea of place-based development versus people-based development, although the challenges faced by stagnant regional economies – especially those in post-agricultural and rural areas – may be too substantial to fully overcome. The aforementioned growth pole and political economic perspectives provide additional insight in the case of some east Texas towns, and why some of these towns are growing their retail presence while others are declining.

This brings up a few points worthwhile for discussion. The first of these points is the idea of using growth poles as a way to benefit the larger economy. In the case of many of these towns, there were varying levels of some sort of growth pole present. The two example industries from the east Texas region are manufacturing and extraction. A combination of outsourcing and increasing automation in work once done by manpower (e.g. coal, oil, and gas extraction) can be seen as varying degrees of the inability of many of these nonmetropolitan areas to combat spatial fixity seen through a political economy framework. The second of these points is that some towns across the

region have been better equipped to adjust to changing economic conditions. This is arguably due to their more “desirable” location along certain points in space, such as nearby an Interstate highway or in an area nearby some coveted natural resource such as a lake. By contrasting, perhaps towns that have been unable to reap the benefits of new infrastructure (e.g. being bypassed by major highways) or being unable to benefit from infrastructure once relied upon for economic well-being are among the most negatively affected.

Discussion of Gaps in Literature

The previous research covered throughout this literature review extensively highlights important features of small town’s historical economic development, and many studies were conducted from the 1970s through the early 2000s. However aside from discussion regarding the impact of big-box retail locating in small towns it seems small town retail research has slowly been decreasing in recent years. Additionally, as Daniels (1988) states, future research should focus on the linkages between theories of economic development and case studies. The emphasis here is for research to not only take into consideration theories attempting to understand and explain economic development, but also analyze these theories in application. In essence, how do the theories really translate to real-world applications? This research gap is important to address because a case-based approach supplemented with discussions on different theories of development may help small towns not only understand their historical development and current issues from a theoretical standpoint, but will also help these small towns apply these theories in a real-world sense.

From an economic development standpoint, there has been a considerable amount of work done on the impact of Interstates and major highways on small town retail (Johansen and Fuguitt, 1979). However, a significant portion of the research on roadways and roadway bypasses as they affect small town retail is fairly antiquated. More recent research aimed towards small towns and highway impacts is available, although a considerable amount of this research focuses on small town macroeconomics rather than retail specifically. While there are some examples of relatively recent work done on small town retail and highways, such as Rogers and Marshment (2000) who study bypass impacts on small town business districts, more contemporary research on roadways and their direct impact on retail is somewhat lacking. Rather than fill a gap in knowledge, this research seeks to provide an update to the existing research previously conducted on the road system as it affects small town retail.

Although there have been some studies that have reviewed the relationship between business mix and downtown vibrancy within small towns (Tyler, 1998) there is an important research gap related to the topic of small town retail mix and its relationship with retail success. In the context of small east Texas towns, this will be examined through an analysis of specific retail types and whether individual retail categories have seen any notable growth or decline over the study's time frame. Novak and Gilliland (2011) go even further in stressing the need for more up-to-date retail geography research. Although their approach takes a more historical angle, the authors state historical research on the locational patterns of retailers – especially in North America – has not been adequately observed. From a geographic standpoint, the

distribution of retailers should be further analyzed to better understand what locational characteristics are important for retail growth within the small town context.

CHAPTER III

RESEARCH DESIGN AND METHOLOGY

Study Areas

As stated earlier, the broader study area for this research is the 14 county ETCOG region, shown in Figure 1.

The total population of the 14 county region in 2000 was 746,626 which grew to 831,314 by 2010, an increase of 11.3%. The two largest cities in the region are Tyler, TX with a population of 96,900 and Longview, TX with a population of 80,587 as of 2010. In fact, these are the only two cities within the ETCOG region with populations greater than 25,000. 25,000 is an important population threshold for the purposes of this research because, as Walzer and Stabelin (1981) state, cities with populations above 25,000 may be the only population centers found in many rural areas. This minimum population threshold of 25,000 will serve an important purpose in subsequent research questions, especially given the context of the east Texas region as there are only a few cities larger than 25,000.

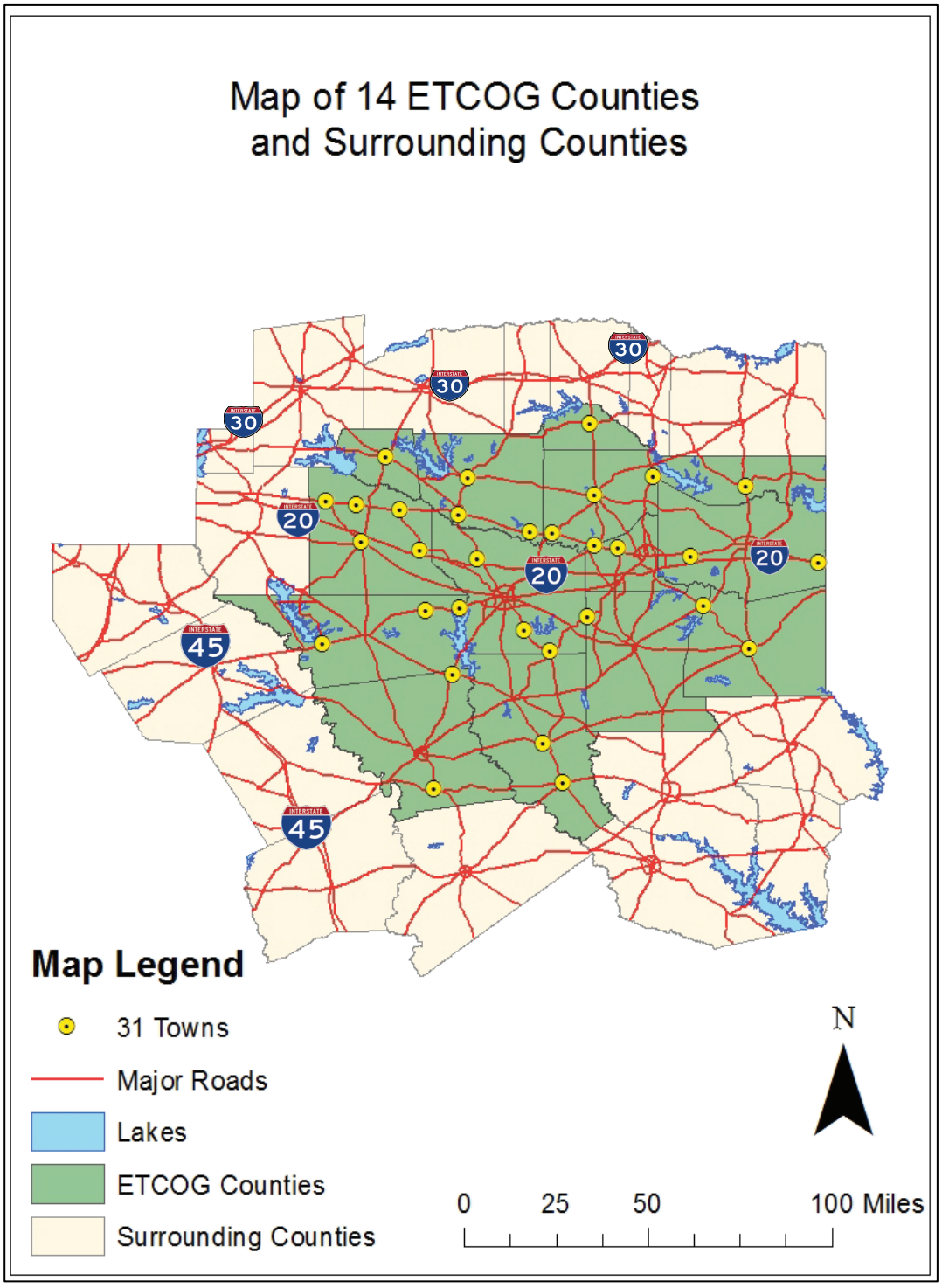


Figure 1: 14 County East Texas Council of Governments (ETCOG) Study Area

These cities, outlined in Table 1 are cities that showed as the closest city with more than 25,000 for at least one of the 31 towns in the ETCOG study area.

Table 1: Cities with Populations Greater than 25,000

City Name	Population (2010)	Nearest City For:
Corsicana, TX	23,782	Malakoff
Greenville, TX	25,655	Emory, Wills Point
Nacogdoches, TX	32,977	Rusk, Alto
Rockwall, TX	38,006	Edgewood
Shreveport, LA	200,908	Carthage, Waskom
Longview, TX	80,587	Hallsville, White Oak, Tatum, Gilmer, Pittsburg, Gladewater, Jefferson, Ore City
Tyler, TX	96,900	Hawkins, Whitehouse, Canton, Chandler, Van, Lindale, Brownsboro, Mineola, Elkhart, Troup, Frankston, Quitman, Grand Saline, Big Sandy, Overton

Although there are contested definitions regarding what population constitutes a "small town" in the literature, I have elected here to include towns between 1,000 and 10,000 as in Lambe's (2008) research. Towns with populations between 1,000 and 10,000 can be argued as offering similar services, i.e. fulfilling their function(s) as lower-order centers within a central place framework. Towns with less than 1,000 can similarly be argued as not providing the critical mass that would yield adequate data for proper analysis. Also, towns with populations greater than 10,000 typically provide services beyond the scope of towns with fewer than 10,000 as supported by Bailey and Hooey (1997). Therefore towns with less than 1,000 or populations greater than 10,000 have been excluded. Additionally, the areas that will be analyzed must be an incorporated

place,[2] and must have had a minimum of nine retail and restaurant establishments combined in the town as of 1998[3]. As shown in Table 2, this leaves a total of 31 towns that fit the aforementioned criteria[4].

[2] The U.S. Census Bureau [http://factfinder2.census.gov/help/en/glossary/i/incorporated_place.html] provides the following definition for an incorporated place: "A type of governmental unit incorporated under state law as a city, town (except the New England states, New York, and Wisconsin), borough (except in Alaska and New York), or village and having legally prescribed limits, powers, and functions."

[3] To avoid a small numbers issue, nine was selected as the breaking point for a meaningful amount of retail/restaurant establishments.

[4] Two towns – Gun Barrel City and Bullard – were excluded due to data availability limitations.

Table 2: 31 ETCOG Towns and ZIP Codes

Town Name	Population (2010)	1998 Retail & Restaurants	2012 Retail & Restaurants	% Retail & Restaurant Change
Emory	1,233	24	39	62.5%
Hawkins	1,266	17	25	47.1%
Malakoff	2,313	23	32	39.1%
Whitehouse	7,704	32	43	34.4%
Edgewood	1,439	15	20	33.3%
Chandler	2,758	19	25	31.6%
Hallsville	3,601	16	21	31.3%
Van	2,638	14	18	28.6%
Tatum	1,387	11	14	27.3%
Lindale	4,846	53	65	22.6%
Brownsboro	1,046	9	11	22.2%
Canton	3,567	68	76	11.8%
White Oak	6,486	17	20	17.6%
Mineola	4,508	57	63	10.5%
Alto	1,226	17	18	5.9%
Elkhart	1,205	13	13	0.0%
Carthage	6,778	100	95	-5.0%
Waskom	2,167	15	14	-6.7%
Troup	1,875	14	13	-7.1%
Frankston	1,229	36	32	-11.1%
Gilmer	4,904	80	67	-16.3%
Rusk	5,556	36	30	-16.7%
Quitman	1,811	41	34	-17.1%
Pittsburg	4,502	69	54	-21.7%
Gladewater	6,452	64	50	-21.9%
Grand Saline	3,138	38	27	-28.9%
Jefferson	2,103	60	42	-30.0%
Wills Point	3,528	53	36	-32.1%
Big Sandy	1,346	23	15	-34.8%
Overton	2,556	18	11	-38.9%
Ore City	1,146	22	11	-50.0%

A map of these 31 towns is also shown in the following figure (Figure 2) along with nearby cities with populations greater than 25,000.

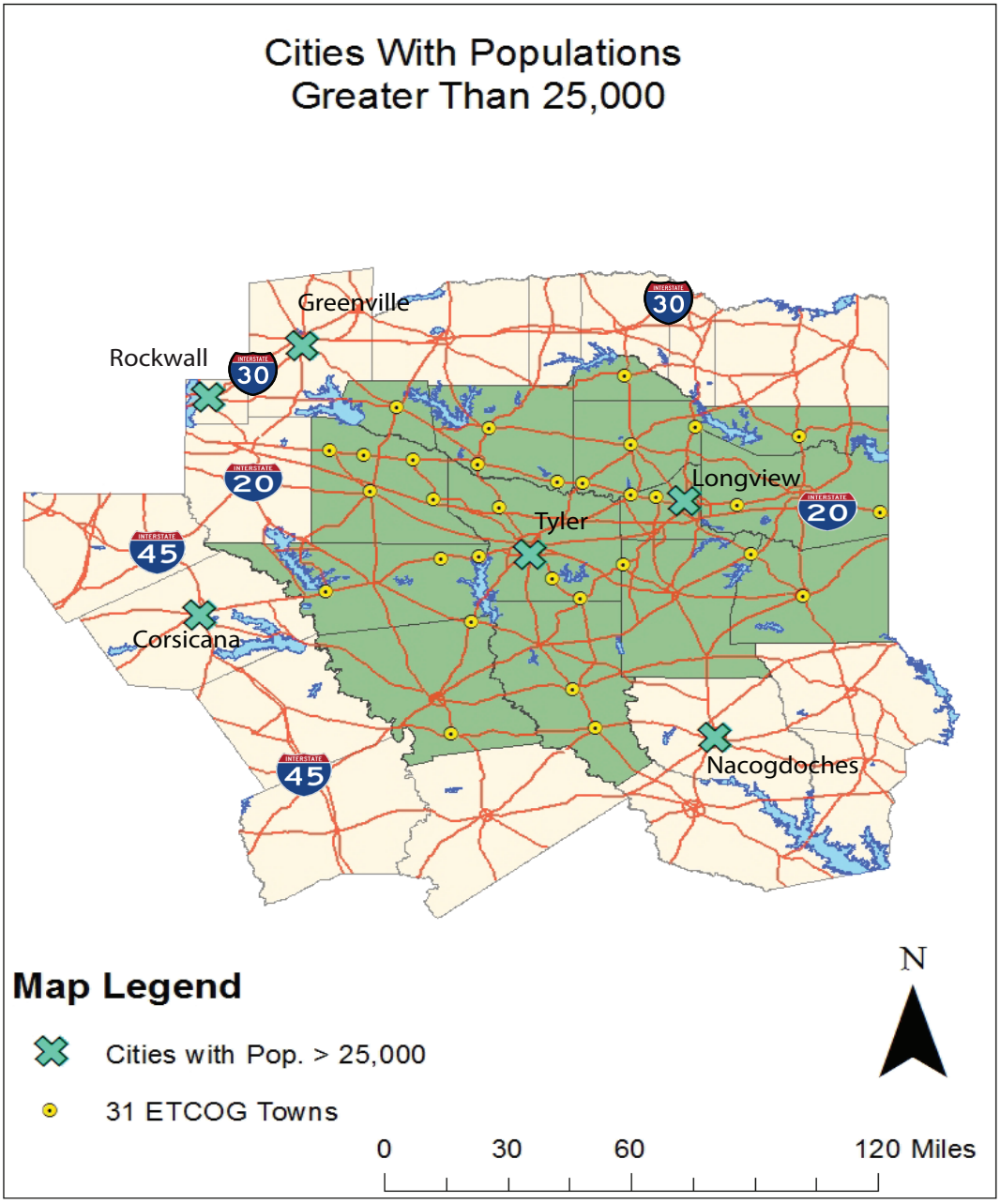


Figure 2: Cities with Populations Greater than 25,000

After identifying the towns in the region that have populations between 1,000 and 10,000, a total of eight towns were then selected. The eight towns selected were among either the fastest growing or the fastest declining towns. Additionally to provide solid

geographic coverage of the region, only two towns – Wills Point and Edgewood both within Van Zandt County – were selected from the same county. Five of these towns have been placed within the "growing" category and the remaining three within the "declining/stagnant" category. For a town to have been selected as growing, it must have seen an increase in both retail and restaurants. For a town to be selected as declining/stagnant, it must have seen a decrease in both retail and restaurants. Tables 3 and 4 show which eight towns were selected from preliminary research projects. Figure 3 is a map of the selected eight towns and is also provided.

Table 3: Five Selected Growing Towns

Town Name	County	1998 Retail and Restaurant Establishments	2012 Retail and Restaurant Establishments	Percent Change
Emory	Rains	24	39	62.5%
Hawkins	Wood	17	25	47.1%
Malakoff	Henderson	23	32	39.1%
Edgewood	Van Zandt	15	20	33.3%
Lindale	Smith	53	65	22.6%

Table 4: Three Selected Declining/Stagnant Towns

Town Name	County	1998 Retail and Restaurant Establishments	2012 Retail and Restaurant Establishments	Percent Change
Jefferson	Marion	60	42	-30.0%
Wills Point	Van Zandt	53	36	-32.1%
Big Sandy	Upshur	23	15	-34.8%

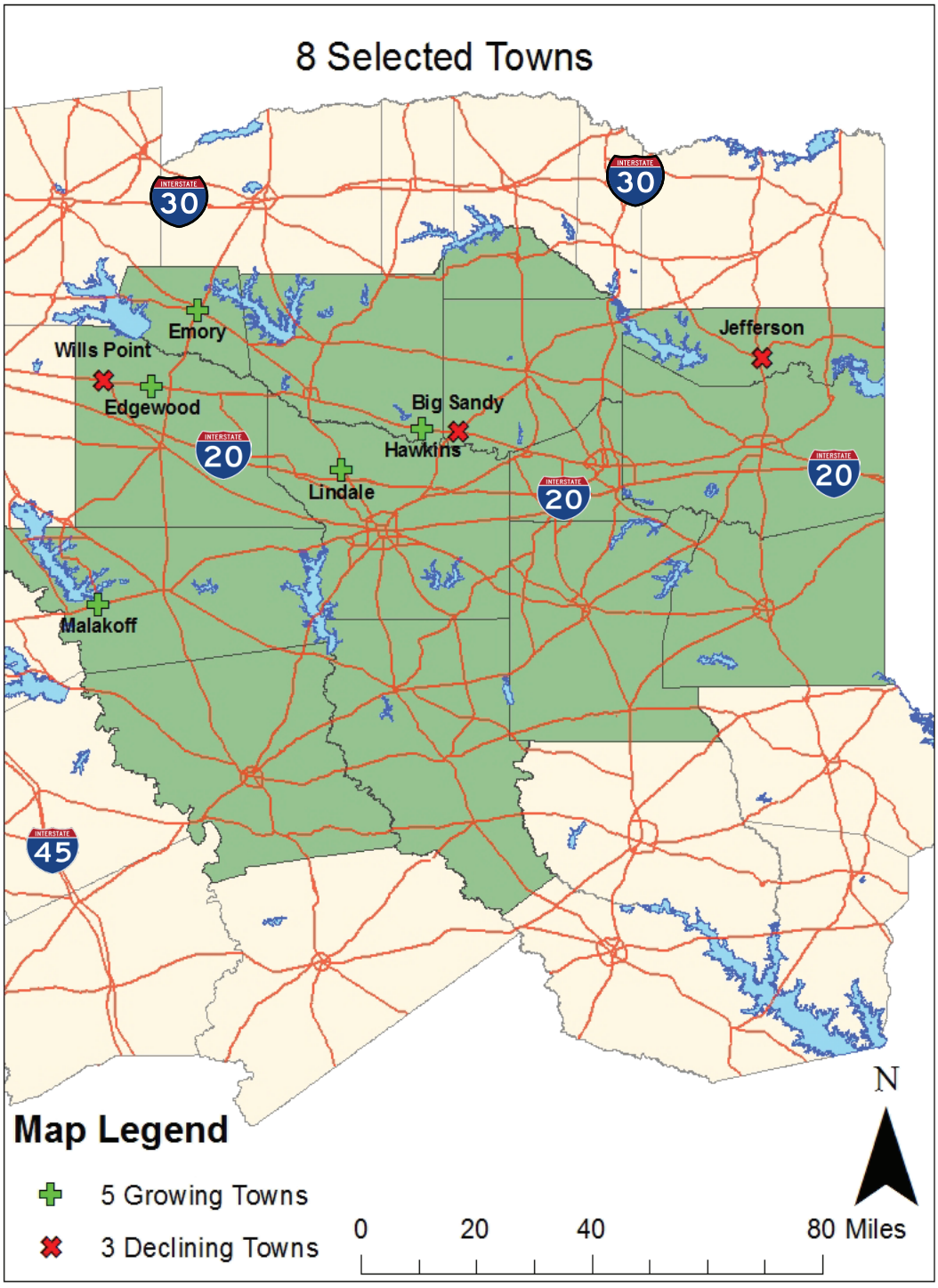


Figure 3: Map of Eight Selected Small Towns

Research Questions and Methodology

As previously stated, the central question that lies at the heart of this research is: "*What economic and socio-spatial factors contribute to retail success in small east Texas towns, and why has retail in some small towns struggled to thrive*?" The following four questions will be individually examined in an effort to answer the central research question.

1. What changes in retail establishment types have occurred between 1998 and 2012?

The first of these questions focuses on providing a general snapshot of the region by looking at retail and restaurant establishments at the ZIP code level. The primary purpose of this question is to highlight the types of retail within the towns, as well provide some insight into what changes have happened within the types of retail offered within the ZIP codes. There are two components of this research question. Part A asks "What is the *net change* of retail and restaurant establishments at the ZIP code level between 1998 and 2012?" Part B continues this question and asks "What are the changes in the *types* of retail establishments and restaurants at the ZIP code level*?*" This question provides a valuable exploratory level of analysis to help deliver better insight into later research questions, as well as highlighting the dynamics of the retail climate within the broader ETCOG study area.

Before moving forward, there are some important methodological aspects to cover. To analyze the changes in retail establishments, U.S. Census NAICS (North American Industry Classification System) codes were used, beginning with the year

1998. The year 1998 was decided upon due to data availability through the U.S. Census County Business Patterns, as this was the first year the U.S. Census instituted the North American Industry Classification System or NAICS, which replaced the previously used Standard Industrial Classification System (SIC). NAICS replaced SIC as the standard classification system of business establishments to allow for a more accurate and detailed level of comparability in business statistics.[5]

Due to the retail oriented focus of this research, NAICS codes prefixed with 44-45 or "the retail trade supersector" will be used as the foundational business group. For restaurant establishments, businesses with NAICS codes beginning with 72 (or "Accommodation and Food Services" supersector) have been selected. Furthermore, NAICS codes provide additional digits to further organize establishments within the above-mentioned supersector categories. This research will analyze businesses at the 3-digit NAICS code level (i.e. the subsector). Table 5 shows a breakdown of the NAICS codes and what subsectors comprise the broader supersector categories.

[5] U.S. Census Bureau website (www.census.gov): Introduction to NAICS webpage

Table 5: NAICS Sectors and Subsectors

NAICS Subsector (3rd Digit Level)	Name of Subsector	Store Types Falling Within Subsector (4th Digit Level)
441	Motor Vehicle and Parts Dealers	Automobile Dealers [4411]; Other Motor Vehicle Dealers [4412]; Automotive Parts, Accessories, and Tire Stores [4413]
442	Furniture and Home Furnishings Stores	Furniture Stores [4421]; Home Furnishing Stores [4422]
443	Electronics and Appliance Stores	Electronics and Appliance Stores [4431]
444	Building Material and Garden Equipment and Supplies Dealers	Building Material and Supplies Dealers [4441]; Lawn and Garden Equipment and Supplies Stores [4442]
445	Food and Beverage Stores	Grocery Stores [4451]; Specialty Food Stores [4452]; Beer, Wine, and Liquor Stores [4453]
446	Health and Personal Care Stores	Health and Personal Care Stores [4461]
447	Gasoline Stations	Gasoline Stations [4471]
448	Clothing and Clothing Accessories Stores	Clothing Stores [4481]; Shoe Stores [4482]; Jewelry, Luggage, and Leather Goods Stores [4483]
451	Sporting Goods, Hobby, Book, and Music Stores	Sporting Goods, Hobby, and Musical Instrument Stores, [4511]; Book, Periodical and Music Stores [4512]
452	General Merchandise Stores	Department Stores [4521]; Other General Merchandise Stores [4529] (e.g. Warehouse Clubs)
453	Miscellaneous Store Retailers	Florists [4531]; Office Supplies and Gift Stores [4532]; Used Merchandise Stores [4533]
454	Nonstore Retailers	Electronic Shopping [4541]; Vending Machine Operators [4542]; Direct Selling Establishments [4543]

Wietz and Whitman (2010) state that changing consumer trends – for instance, low pricing offered at discount general merchandisers – has led to an increase in general merchandise establishments in both rural and metropolitan areas in recent

years. Due to these changing consumer patterns, the author hypothesizes certain NAICS subsectors in the region – namely subsector 452 (General Merchandise Stores) – will be gaining a significant number of establishments. If true, this will support conclusions made within the literature that claim retailers belonging to the general merchandise category have seen significant growth among America's rural areas. Conversely, NAICS subsectors such as subsector 444 (Building Material and Garden Equipment and Supplies Dealers) will be losing a considerable amount of establishments. This will also support the general retail geography literature findings that the combination of category killers and retailer relocation(s) has had adverse effects on some small town retailers.

Rather than using city limits as the level of analysis, a ZIP code level of analysis has been employed in the first research question. This is due to the availability of statistics from the U.S. Census Bureau, as the ZIP code level is used by the Census Bureau as the geography for classifying retail establishments in accordance with NAICS codes. It should be noted though that the majority of these towns are small enough to only have one ZIP code assigned[6]; therefore, the entirety of these town's city limits of these towns fall within the broader ZIP code geography minimizing the possible data collection errors.

2. What socio-spatial and economic characteristics correlate with growing retail towns?

[6] The two exceptions in this case are Gilmer, TX which has two ZIP codes (75644 and 75645) and Big Sandy, TX which also has two ZIP codes (75755 and 75797), although the latter ZIP code for Big Sandy has zero population and zero retail establishments.

The second research question explores some of the socio-spatial, economic, and locational characteristics found within the small towns. Namely, what characteristics have had a significant influence on the percent change of retail and restaurant establishments (i.e. the dependent variable)? Table 6 lays out the characteristics taken into account. These characteristics will later serve as components of a multiple regression equation, which will be discussed in the forthcoming methodological section of this paper.

Table 6: Multiple Regression Variables

Characteristic/Variable for Multiple Regression	**Variable Type (Independent or Dependent)?**	**Additional Information**
% Change in combined retail and restaurant establishments	Dependent	% Change (1998 – 2012)
% Change in population (2000 – 2010)	Independent	% Change (Census years)
% Change in median household income (2000 – 2010) ***	Independent	% Change (2000 – 2010)
Distance from city with population > 25,000	Independent	Closest city (>25,000 population)
County seat (yes or no)	Independent	Binary entry method (0 = town is *not* county seat, 1 = town *is* county seat
Highest level of roadway within city	Independent	Dummy variables entered for the following: 1 – Interstate highway
*** Note: 2010 median household income derived from 2009 – 2013 American Community Survey 5 year estimates (from Factfinder.census.gov)		

These socio-spatial and economic characteristics are important in the scope of this research, as research supports certain characteristics can influence and affect the local retail climate ad various degrees. For instance, Bailey and Hooey (1997) show through their research that populations with higher incomes and easier access to educational facilities (i.e. populations with higher levels of education), generally tend to be found in small tows with growing retail. Walzer and Stabelin (1981) highlight the effect larger urban centers exhibit on income and population trends – and thereby, retail sales – in nearby small towns. Furthermore, Nelson et al. (2006) demonstrate the effects of a combination of factors such as population decline and location near a major highway or Interstate as they relate to retail trends in small Nebraska towns. Generally speaking in the case of the towns in the Nelson et al. (2006) study, towns further in proximity from a major roadway and/or towns with declining population tend to contribute to a declining number of retail establishments.

This question utilizes a multiple correlation/regression analysis in SPSS to analyze the degree – if any – to which the socio-spatial, economic, and locational characteristics listed in Table 6 influence retail establishment changes in small east Texas towns. As discussed earlier, the dependent variable used in the multiple correlation/regression analysis is the percent change in combined retail and restaurant establishments between 1998 and 2012. Furthermore, the independent variables shown in the same table are the characteristics (i.e. variables) discussed in the literature and will therefore be used within this analysis. Finally, to bring further clarity to this second research question, the 31 towns within the study area have been split into ‘growing’ and ‘declining/stagnant’ categories. Tables 7 and 8 show the 31 towns placed into their

respective growing or declining/stagnant categories. Although the towns have been split into two categories, the multiple regression will be completed for the growing towns category.

Table 7: All Growing ETCOG Towns

Town Name	1998 Retail & Restaurants	2012 Retail & Restaurants	% Retail & Restaurant Change
Emory	24	39	62.5%
Hawkins	17	25	47.1%
Malakoff	23	32	39.1%
Whitehouse	32	43	34.4%
Edgewood	15	20	33.3%
Chandler	19	25	31.6%
Hallsville	16	21	31.3%
Van	14	18	28.6%
Tatum	11	14	27.3%
Lindale	53	65	22.6%
Brownsboro	9	11	22.2%
Canton	68	76	11.8%
White Oak	17	20	17.6%
Mineola	57	63	10.5%
Alto	17	18	5.9%

Table 8: All Declining/Stagnant ETCOG Towns

Town Name	1998 Retail & Restaurants	2012 Retail & Restaurants	% Retail & Restaurant Change
Elkhart	13	13	0.0%
Carthage	100	95	-5.0%
Waskom	15	14	-6.7%
Troup	14	13	-7.1%
Frankston	36	32	-11.1%
Gilmer	80	67	-16.3%
Rusk	36	30	-16.7%
Quitman	41	34	-17.1%
Pittsburg	69	54	-21.7%
Gladewater	64	50	-21.9%
Grand Saline	38	27	-28.9%
Jefferson	60	42	-30.0%
Wills Point	53	36	-32.1%
Big Sandy	23	15	-34.8%
Overton	18	11	-38.9%
Ore City	22	11	-50.0%

3. What does the spatial composition of retail establishments look like in towns with growing retail vs. towns with declining/stagnant retail?

This third research question differs from the previous questions in that it focuses on eight towns to individually examine, rather than dealing with the broader ETCOG study area in its entirety. Five towns belonging to the growing category have been selected while three towns from the declining/stagnant category have been selected. Only towns with at least nine combined retail and restaurant establishments in 1998 were used in this analysis to avoid a small numbers issue.

The first part of this analysis focused on the five growing towns included in Table 9. These are among the east Texas towns identified with the greatest increase in retail establishments within the study timeframe. Both retail (NAICS 44-45) and restaurants

(NAICS 722) have been included in this table to show their respective changes, although it is important to bear in mind that this research is only focused on analyzing the combined retail and restaurant growth, found in the last column of Table 9.

Table 9: Five Selected Growing Towns Establishment Changes

5 Identified increasing retail towns	County Name	% Change in retail establishments	% Change in restaurant establishments	% Change in retail and restaurants combined
Emory	Rains	50.0%	87.5%	62.5%
Hawkins	Wood	6.7%	400.0%	52.9%
Malakoff	Henderson	27.8%	80.0%	39.1%
Edgewood	Van Zandt	25.0%	66.7%	33.3%
Lindale	Smith	38.7%	4.5%	24.5%

The second part of this analysis looks at the towns within the declining/stagnant category. Only three declining/stagnant towns were selected since this research is more concerned about what contributes to retail success rather than a lack of retail success. Like the first component of this question, a minimum of nine retail establishments must have been in the town as of 1998. The three stagnant and declining towns can be found in Table 10.

Table 10: Three Selected Declining/Stagnant Towns Establishment Changes

3 Identified decreasing retail towns	County Name	% Change in retail establishments	% Change in restaurant establishments	% Change in retail and restaurants combined
Big Sandy	Upshur	-23.5%	-66.7%	-34.8%
Wills Point	Van Zandt	-36.6%	-16.7%	-32.1%
Jefferson	Marion	-32.5%	-25.0%	-30.0%

Table 10 shows the east Texas towns identified with the greatest decline in retail establishments within the study timeframe. Both retail (NAICS 44-45) and restaurants (NAICS 722) have been included in this table to show their respective changes, although only combined retail and restaurant decrease will be analyzed in this question.

For both of the two categories mentioned above, the level of retail clustering has been assessed through a Nearest Neighbor Analysis (NNA) in ArcMap. The NNA involves numerous steps, most importantly locating retailers within the city limits and mapping the towns and their retailers within ArcMap. To locate retailers within the city limits, data was aggregated from a variety of sources, most notably local Chambers of Commerce and Yellow Pages listings. The eight small towns analyzed in the NNA all have active Chambers with business and retail members, although this study is only concerned with retailers and restaurants rather than non-retail oriented businesses. The local Chambers provide services and publicity for local retailers and in the case of many small town retailers it is highly advantageous to join a local Chamber of Commerce. This means the local Chamber of Commerce business and retailer records are a sufficient starting point to compile a local retail database. From there, retailers were verified through local Yellow Pages listings. Any missing retailers listed in the local Yellow Pages were added to the database of retailers. To further add to this list in an effort to make it even more comprehensive, the retailer locations were then cross-referenced with a Google Maps search where latitude/longitude coordinates were obtained. Finally, retailer NAICS codes were verified through the website Manta.com which provides – among other things – a directory of retailers with corresponding NAICS codes. In all, this provides a fairly comprehensive listing of retailers found within

the cities. For added clarity, only retailers located within the city limits were compiled in the NNA database. This study recognizes that while this is not necessarily an ideal way to aggregate the number of retailers located within the towns, data availability limitations were the primary cause of this workaround.

Before moving further, it is crucial to note that the number of retailers found for the NNA database do not perfectly match up with the U.S. Census CBP totals. The U.S. Census CBP website also notes that their data coverage tends to lend to undercoverage of retailers due to a variety of factors such as the classification of single-unit vs. multi-unit companies, self-employed individuals, etc.[7] This can also be partially attributed to the fact that the CBP uses a ZIP code level of aggregation whereas this NNA analysis is using a city limit level of analysis. The city limits (i.e. the boundary for the NNA calculation) were automatically imported from the default shapefile in ArcMap.

4. What socio-spatial and economic influences do local retail employees perceive to affect the local retail climate within their respective small towns?

The literature has shown that various socio-spatial aspects of small towns are substantial contributors to small town economic well-being. Some of the most notable characteristics covered in the literature are: proximity to a larger municipality (Walzer and Stabelin, 1981), emphasis on promoting community pride and enhancing community quality of life (Wall, 1999), and local entrepreneur's willingness to increase interaction with the community which is in turn reciprocated by the community (Kilkenny

[7] A full, comprehensive methodology of the U.S. Census County Business Patterns data collection protocol can be found at http://www.census.gov/econ/cbp/methodology.htm

et al., 1999). As these are important characteristics discussed in the literature, this fourth research question is geared towards asking questions that get to the essence of small town socio-spatial and economic well-being.

Therefore to better understand some of the influential socio-spatial characteristics at play in small towns as it pertains to the town's retail climate, this fourth and final research question involves interviewing at least one employee from two independent retail establishments within the small town. For this fourth research question, only small format and "Mom and Pop" stores (i.e. no regional/national chains or big-box retailers) were sought. Primary interview preference was given to either senior managers or owners of each retail establishment. As these senior managers and/or owners were not always available for interview purposes however, employees of at least two local retailers were interviewed. This component of the research hopes to provide some of the socio-spatial connections between towns with successful retail as opposed to towns with less successful or declining retail. The same eight towns from the previous question were used in this research question. Appendix A includes the interview form used to interview the respondents. It should be mentioned that, while still important, the findings related to this research question are strictly anecdotal and not qualitative in nature.

CHAPTER IV

RESULTS

Changes in Small Town Retail Establishments

To understand the changes in types of retail across the ETCOG study area, the first research question features two components. The first of these components asks, "What is the *net change* of retail and restaurant establishments at the ZIP code level between 1998 and 2012?" To answer this question, data from the U.S. Census County Business Patterns (CBP) was compiled for all 31 ZIP codes across the study area. Both retail establishment and restaurant establishment totals were aggregated to provide better insight to the changes happening within the ZIP codes. Table 11 shows all 31 ZIP codes and their combined retail and restaurant establishments for the years 1998 and 2012, respectively. Additionally, the total percent change of combined retail and restaurant establishments is provided in the final column.

Table 11: All 31 ETCOG Town Establishment Changes

Town Name	Population (2010)	Combined Retail and Restaurants (1998)	Combined Retail and Restaurants (2012)	Percent Change (1998 - 2012)
Alto	1,226	17	18	5.9%
Big Sandy	1,346	23	15	-34.8%
Brownsboro	1,046	9	11	22.2%
Canton	3,567	68	76	11.8%
Carthage	6,778	100	95	-5.0%
Chandler	2,758	19	25	31.6%
Edgewood	1,439	15	20	33.3%
Elkhart	1,205	13	13	0.0%
Emory	1,233	24	39	62.5%
Frankston	1,229	36	32	-11.1%
Gilmer	4,904	80	67	-16.3%
Gladewater	6,452	64	50	-21.9%
Grand Saline	3,138	38	27	-28.9%
Hallsville	3,601	16	21	31.3%
Hawkins	1,266	17	25	47.1%
Jefferson	2,103	60	42	-30.0%
Lindale	4,846	53	65	22.6%
Malakoff	2,313	23	32	39.1%
Mineola	4,508	57	63	10.5%
Ore City	1,146	22	11	-50.0%
Overton	2,556	18	11	-38.9%
Pittsburg	4,502	69	54	-21.7%
Quitman	1,811	41	34	-17.1%
Rusk	5,556	36	30	-16.7%
Tatum	1,387	11	14	27.3%
Troup	1,875	14	13	-7.1%
Van	2,638	14	18	28.6%
Waskom	2,167	15	14	-6.7%
White Oak	6,486	17	20	17.6%
Whitehouse	7,704	32	43	34.4%
Wills Point	3,528	53	36	-32.1%

As mentioned earlier, this component of the first research question is focused on providing overall insight into retail and restaurant establishment change. The table indicates that vary considerably with respect to their retail base; on a case-by-case

basis, a total change of only a few retail and restaurant establishments may show a more drastic change given the initial sample size for each town. For instance, the city of Carthage started with 100 retail and restaurant establishments in 1998 and only lost five establishments over the course of 14 years, a decline of only 5%. Edgewood on the other hand started with only 15 establishments in 1998 and gained five over the 14 years resulting in 33% growth. That said, Table 11 does indicate the breadth of the towns included in the study and the scope of the broader changes ongoing in these place. In the most extreme cases, towns such as Emory had a net gain of 15 retail and restaurant establishments, resulting in a 62.5% growth during the study timeframe; alternatively, Ore City's loss of 11 establishments cut the town's combined retail and restaurant establishments by exactly 50%.

The second component of this research question is concerned with understanding the changes in the types of retail establishments happening across the ETCOG region. Table 12 shows the aggregated retail and restaurant establishment changes, sorted by NAICS, happening across all 31 towns cumulatively.

Table 12: All 31 ETCOG Town NAICS Changes

NAICS Code	Subsector Name	1998 Establishments	2012 Establishments	Net Change	Percent Change
441	Motor Vehicle and Parts Dealers	98	117	19	19.4%
442	Furniture and Home Furnishing Stores	30	22	-8	-26.7%
443	Electronics and Appliances	22	18	-4	-18.2%
444	Building Material and Garden Equipment and Supplies Dealers	83	59	-24	-28.9%
445	Food and Beverage Stores	120	98	-22	-18.3%
446	Health and Personal Care Stores	58	44	-14	-24.1%
447	Gasoline Stations	170	143	-27	-15.9%
448	Clothing and Clothing Accessory Stores	42	38	-4	-9.5%
451	Sporting Goods, Hobby, Book, and Music Stores	22	10	-12	-54.5%
452	General Merchandise Stores	35	79	44	125.7%
453	Miscellaneous Store Retailers	84	67	-17	-20.2%
454	Nonstore Retailers	47	36	-11	-23.4%
722	Food Services and Drinking Places	272	321	49	18.0%
	Total	**1,083**	**1,052**	**-31**	**-2.9%**

From the table a few general trends stand out. Most notably is the boom of General Merchandise stores, which have more than doubled across the 31 ZIP codes.

Also worth mentioning is that General Merchandise stores, Food Services and Drinking Places, and Motor Vehicle and Parts Dealers are the only three NAICS categories that have seen increases in establishment totals. Food Services and Drinking Places is the fastest growing category in terms of net change with 49. Of the declining NAICS categories, Sporting Goods, Hobby, Books, and Music stores are the fastest declining by percent, although given that there were only 22 establishments in 1998 – an average of less than one per ZIP code – this decrease in establishments may not be as drastic as it appears to be. In terms of net amount of decline, Gasoline Stations are the fastest declining category. Finally, the relatively low percent change shows that overall there has not been a drastic amount of loss across the entire region.

To further analyze the dataset and determine if there are any dichotomous trends, Tables 13 and 14 show the aggregated totals for growing towns and the declining/stagnant towns, respectively. In Table 13, NAICS codes for all towns belonging to the growing category were compiled. In total, 15 towns belong to the growing category and constitute the data found in Table 13.

Table 13: Total NAICS Changes Among All Growing Towns

NAICS Code	Subsector Name	1998 Establishments	2012 Establishments	Net Change	Percent Change
441	Motor Vehicle and Parts Dealers	32	54	22	68.8%
442	Furniture and Home Furnishing Stores	7	11	4	57.1%
443	Electronics and Appliances Stores	5	13	8	160.0%
444	Building Material and Garden Equipment and Supplies Dealers	38	28	-10	-26.3%
445	Food and Beverage Stores	44	37	-7	-15.9%
446	Health and Personal Care Stores	24	20	-4	-16.7%
447	Gasoline Stations	59	61	2	3.4%
448	Clothing and Clothing Accessory Stores	11	17	6	54.5%
451	Sporting Goods, Hobby, Book, and Music Stores	8	7	-1	-12.5%
452	General Merchandise Stores	9	37	28	311.1%
453	Miscellaneous Store Retailers	31	34	3	9.7%
454	Nonstore Retailers	21	19	-2	-9.5%
722	Food Services and Drinking Places	113	174	61	54.0%
	Total	**402**	**512**	**110**	**27.4%**

The most noticeable growing category in Table 13 is the General Merchandise Stores category, which tripled in establishments over the study timeframe; this is in line

with the data shown in Table 12 which saw General Merchandise Stores as the greatest increasing category. Unlike Table 12 however, there are many more categories that are growing in Table 13. In fact, only five NAICS categories lost establishments, whereas Table 12 shows ten categories with declining totals. Furthermore, the total growth of 27.4% among the growing towns table differs substantially from the -2.9% decline seen among all towns in Table 13.

Table 14 illustrates the aggregated data for all the declining/stagnant towns in a similar manner. In total, 16 towns belong to the declining/stagnant category and constitute the data found in the table:

Table 14: Total NAICS Changes Among All Declining/Stagnant Towns

NAICS Code	Subsector Name	1998 Establishments	2012 Establishments	Net Change	Percent Change
441	Motor Vehicle and Parts Dealers	66	63	-3	-4.5%
442	Furniture and Home Furnishing Stores	23	11	-12	-52.2%
443	Electronics and Appliances Stores	17	5	-12	-70.6%
444	Building Material and Garden Equipment and Supplies Dealers	45	31	-14	-31.1%
445	Food and Beverage Stores	76	61	-15	-19.7%
446	Health and Personal Care Stores	34	24	-10	-29.4%
447	Gasoline Stations	111	82	-29	-26.1%
448	Clothing and Clothing Accessory Stores	31	21	-10	-32.3%
451	Sporting Goods, Hobby, Book, and Music Stores	14	3	-11	-78.6%
452	General Merchandise Stores	26	42	16	61.5%
453	Miscellaneous Store Retailers	53	33	-20	-37.7%
454	Nonstore Retailers	26	17	-9	-34.6%
722	Food Services and Drinking Places	159	147	-12	-7.5%
	Total	**681**	**540**	**-141**	**-20.7%**

Some distinctive trends are evident in this table. Nearly all NAICS categories in these towns have lost establishments. However, General Merchandise Stores go

against this trend; additionally, the fact that General Merchandise Stores grew by 61.5% also stands out as a remarkable component of the data. NAICS categories such as Electronics and Appliances Stores as well as Sporting Goods, Hobby, Book, and Music Stores – are retail categories losing establishments.

While these numbers are interesting, their value is increased by considering some broader context. Table 15 replicates the previous table, but this time with totals for the state of Texas as a whole.

Table 15: Total NAICS Changes in Texas

NAICS Code	Subsector Name	1998 Establishments	2012 Establishments	Net Change	Percent Change
441	Motor Vehicle and Parts Dealers	8,899	9,534	635	7.1%
442	Furniture and Home Furnishing Stores	3,884	3,822	-62	-1.6%
443	Electronics and Appliances	3,053	3,827	774	25.4%
444	Building Material and Garden Equipment and Supplies Dealers	5,803	5,282	-521	-9.0%
445	Food and Beverage Stores	8,648	8,820	172	2.0%
446	Health and Personal Care Stores	5,237	6,699	1,462	27.9%
447	Gasoline Stations	10,745	11,113	368	3.4%
448	Clothing and Clothing Accessory Stores	10,107	11,681	1,574	15.6%
451	Sporting Goods, Hobby, Book, and Music Stores	3,823	2,747	-1,076	-28.1%
452	General Merchandise Stores	2,776	4,133	1,357	48.9%
453	Miscellaneous Store Retailers	8,399	7,005	-1,394	-16.6%
454	Nonstore Retailers	2,351	3,770	1,419	60.4%
722	Food Services and Drinking Places	73,725	78,433	4,708	6.4%
	Total	**147,450**	**156,866**	**9,416**	**6.4%**

This table for the state of Texas was compiled using the U.S. Census CBP, which also provides this same level of data on a statewide basis. Although General Merchandise stores are the second fastest growing NAICS category for the state

(48.9%), the largest increase here is the Nonstore Retailers category (60.4%). Like the ETCOG region, both Motor Vehicle and Parts Dealers and Food Services and Drinking Places are two categories that have seen increases in establishment totals, although the difference in Food Services and Drinking Places between ETCOG study area (18%) and Texas (6.4%) does show an intriguing contrast.

In terms of declining categories across the state of Texas, Sporting Goods, Hobby, Book, and Music Stores are once again the retail category with the greatest percent decline with a loss of -28.1%. Although this loss is not as stark as the change in the ETCOG region (-54.1%) it does illustrate that perhaps the ever changing and dynamic retail economy may be shifting away from traditional brick and mortal establishments for items falling within this category. A similar statement could be made for the decrease in Building Supply, Garden Supply, and Supplies Dealers between both the state (-9%) and ETCOG region (-28.9%), although in this case it is conceivable that the “category killers” referred to in the geography literature factor largely into this trend.

The final takeaway from these two tables is the differences in total establishments between the state and the ETCOG region. Whereas the state has seen an increase of 7.1% in combined retail and restaurant establishments, the ETCOG region has seen a decline (-2.9%) in total combined establishments. While there might not necessarily be an important difference between the two areas, it does raise some interesting questions regarding what is happening in the ETCOG region versus the state of Texas, more of which will be discussed in the later discussion section.

Categorical Retail Changes Among Small Towns

After analyzing the first research question, the second question asked in this research is narrower in scope and more focused on various factors driving growth and decline in towns amongst the ETCOG region. In an effort to better understand these driving factors, the second research question prompts, “What socio-spatial and economic characteristics correlate with growing retail towns?” Because this research would like to focus more heavily upon the contributing factors for success, only the growing retail towns have been included in this analysis.

The nature of this question calls for two different groupings of towns: the first of these are the growing towns – that is, towns with more retail and restaurant establishments in 2012 than 1998 – and the second grouping as towns, or towns with fewer retail and restaurant establishments in 2012 than in 1998. The following tables – both previously used for Tables 7 and 8, respectively but labeled Tables 16 and 17 for numbering consistency– show these two groupings.

Table 16: All Growing ETCOG Towns

Town Name	1998 Retail & Restaurants	2012 Retail & Restaurants	% Retail & Restaurant Change
Emory	24	39	62.5%
Hawkins	17	25	47.1%
Malakoff	23	32	39.1%
Whitehouse	32	43	34.4%
Edgewood	15	20	33.3%
Chandler	19	25	31.6%
Hallsville	16	21	31.3%
Van	14	18	28.6%
Tatum	11	14	27.3%
Lindale	53	65	22.6%
Brownsboro	9	11	22.2%
Canton	68	76	11.8%
White Oak	17	20	17.6%
Mineola	57	63	10.5%
Alto	17	18	5.9%

Table 17: All Declining/Stagnant ETCOG Towns

Town Name	1998 Retail & Restaurants	2012 Retail & Restaurants	% Retail & Restaurant Change
Elkhart	13	13	0.0%
Carthage	100	95	-5.0%
Waskom	15	14	-6.7%
Troup	14	13	-7.1%
Frankston	36	32	-11.1%
Gilmer	80	67	-16.3%
Rusk	36	30	-16.7%
Quitman	41	34	-17.1%
Pittsburg	69	54	-21.7%
Gladewater	64	50	-21.9%
Grand Saline	38	27	-28.9%
Jefferson	60	42	-30.0%
Wills Point	53	36	-32.1%
Big Sandy	23	15	-34.8%
Overton	18	11	-38.9%
Ore City	22	11	-50.0%

In total, 15 of the 31 towns saw an increase in retail and restaurant establishments between 1998 and 2012, ranging from 5.9% growth on the low end and a rather substantial 62.5% growth on the high end. The remaining 16 of 31 towns saw a decrease in retail and restaurant establishments between 1998 and 2012, ranging from stagnation (or 0.0% growth) to a severe decrease of -50.0% on the low end.

After splitting the 31 towns into either the growing or declining/stagnant category, a multiple regression was run for both growing category and the declining/stagnant category independent of each other. In both instances, the "Percent Change of Retail and Restaurants" was used as the dependent variable, as the goal here is to see what socio-economic and spatial characteristics correlate most significantly with retail growth. The first multiple regression run in SPSS included the following six variables:

Table 18: Stepwise Regression Variables Table

Regression (Stepwise) Entry Variables
Percent change in retail and restaurants (dependent variable)
Population change between 2000 and 2010
Miles from nearest city with population greater than 25,000
Miles from the nearest lake[8]
Percent change in median household income between 2000 and 2010
Is the town the county's seat? (Yes or no)
The highest level of highway found in the city (Interstate, U.S. Highway, or Texas Highway

The SPSS multiple regression input method chosen for this analysis was the stepwise method. The first SPSS multiple regression run was conducted for the growing category. As an assumption of any multiple regression is that the data is normalized, the six variables included were tested for normality in SPSS and all variables were found to be normal. Additionally, to avoid any possibility of falsely strengthening the multiple regressions output by having multicollinearity issues, a Bivariate Correlation Test was

[8] Only lakes registered with the Texas Parks and Wildlife Department (tpwd.texas.gov) were taken into consideration.

also run in SPSS. After running in SPSS, any variables found to have multicollinearity issues were excluded.

As the multiple regression and the SPSS outputs can be a bit muddled to understanding without some explanation, it is important to quickly go through the steps needed to run this multiple regression. The first step in this analysis was to determine an independent variable (I.V.), and the percent change of retail and restaurants was chosen as the I.V. The percent change was chosen rather than net change because as stated earlier, the variance of total establishments among the towns differed significantly; therefore, the percent change was selected because it is more representative of the magnitude of change for a town. Next, as seen in Table 18, dependent variables were selected, and the variables entered were chosen which are included on the SPSS output. These variables are explained in the resulting ANOVA correlations, and model summary tables. In summary, the model summary table provides an R Square value or the proportion of variance explained; this can also be thought of as the amount of the total dependent variable (percent change in retail and restaurants) explained by our independent variables.

The multiple regression indicates that two of the six independent variables are significant contributors to explanation for percent change of retail and restaurants. These two variables were each town's distance from the nearest lake, and whether or not the town is the county seat. The distance from a city to the nearest lake is the stronger of the two variables, with an R value of .481 and an R square value of .232. The closer the city is to a nearby lake, the greater increase in retail and restaurants the city has seen. Whether or not the town is the county seat is the second variable found to

be significant, and contributes .203 to the regression model. In the case of this model, towns that are not the county seat are more inclined to see increasing retail and restaurant establishments than their county seat counterparts. While the implications of these findings will be discussed at length in the forthcoming discussion of results section, it is worthwhile to quickly discuss the primary limitation of this research question. Multiple regressions are oftentimes a stronger fit for a large sample size, which provides additional explanatory power for the independent variable. As only fifteen samples were used in this equation, the limitation of a small sample size is not only a weakness in the multiple regression, but also a potential avenue for future researchers to strengthen the findings within this research question.

Analysis of Socio-Spatial Characteristics

The third question in this research asks, “What does the spatial composition of retail establishments look like in towns with growing retail vs. towns with declining/stagnant retail?” More specifically, does retail tend to be clustered in growing towns, in declining/stagnant towns, both, or neither? To answer this question, a Nearest Neighbor Analysis (NNA) has been utilized through ESRI’s ArcMap. As there are eight towns analyzed in this question, there are eight individual NNA outputs – 5 for growing towns, 3 for declining towns.

Before advancing to the results of the NNA, it is important to remember that the boundaries set for the NNA at the onset of this research question were each city’s individual city limits. Initially, some thought was given to fixing a set area for the NNA in an area of each of the towns (for example, within ‘x’ distance of the downtown).

However, this was decided against as this study focuses on the towns in their entirety rather than a specific location within each town, e.g. downtown, Interstate highway, etc. To provide some context for each of the town sizes, each of the subsequent maps shows a .28 mile radius (i.e. “walkable”) around each city’s downtowns, although no component of walkability features in this analysis. The downtown retailers falling within this distance are also shown in yellow on the maps. If able to obtain parcel data, comprehensive plans, and/or land use plans from local small towns, another definition of downtown areas could potentially be derived from these plans. The following figures (Figures 4 – 11) are provided to show these towns in finer detail.

Figure 4: Wills Point, TX Retail Map

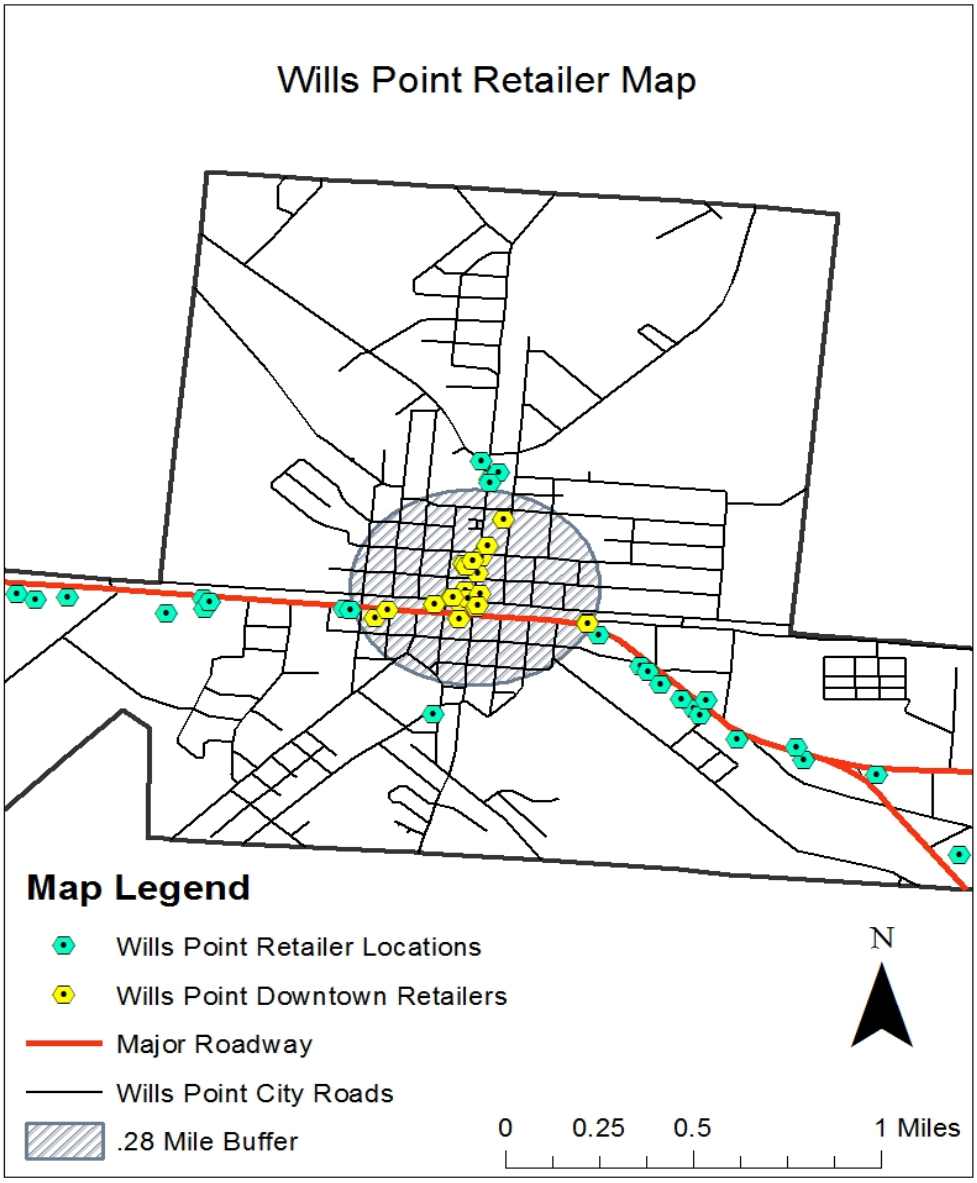


Figure 5: Malakoff, TX Retail Map

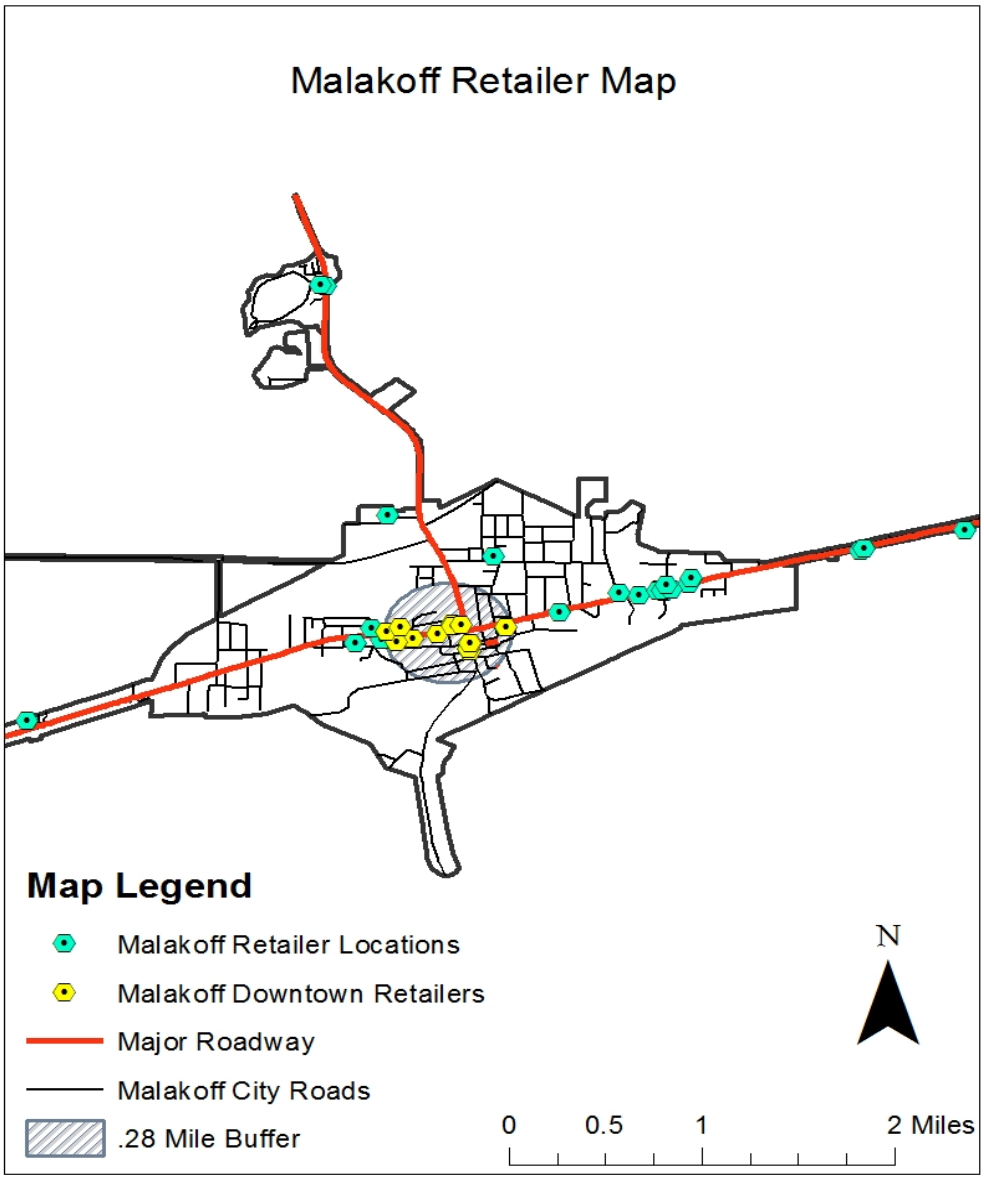


Figure 6: Jefferson, TX Retail Map

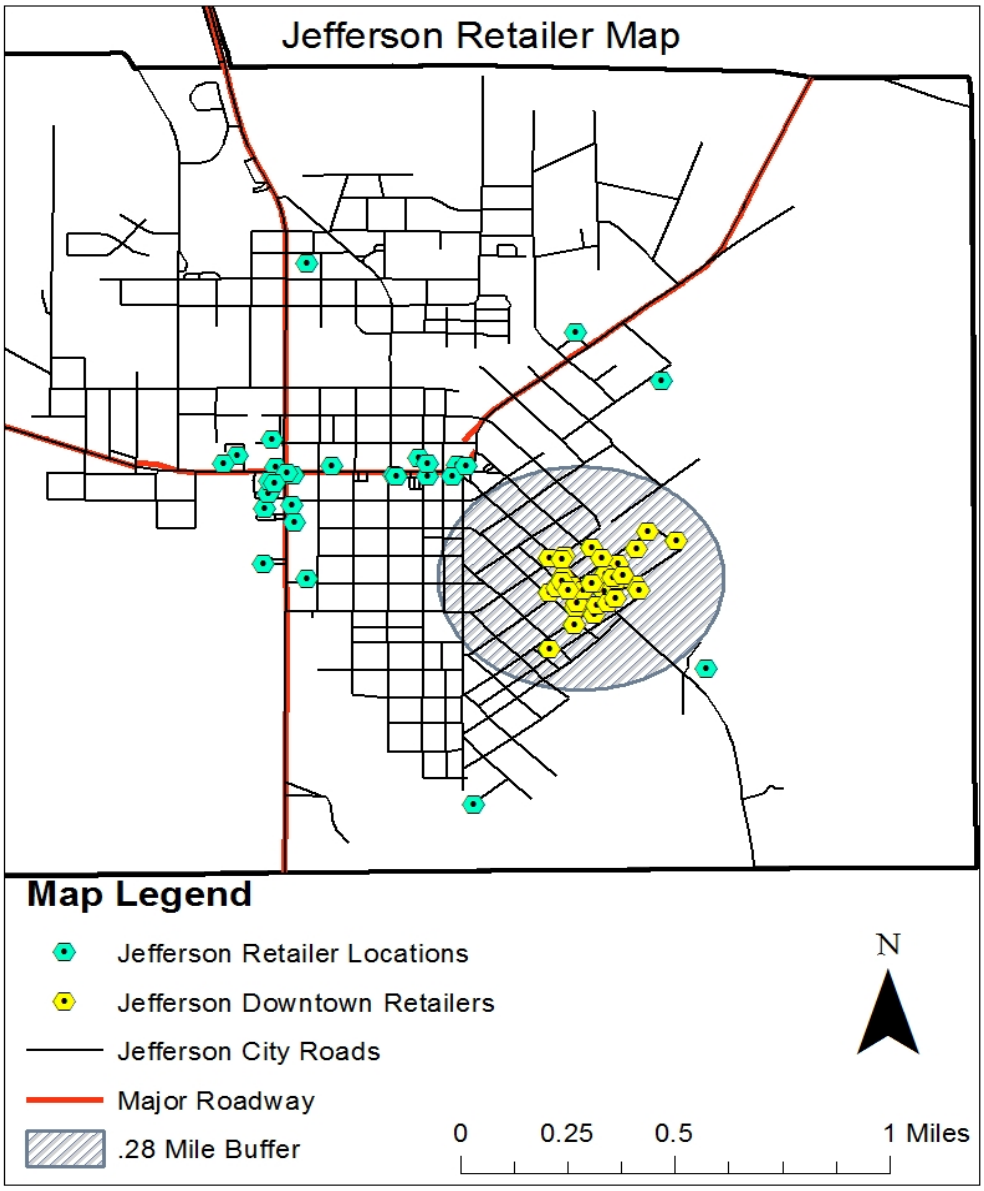


Figure 7: Lindale, TX Retail Map

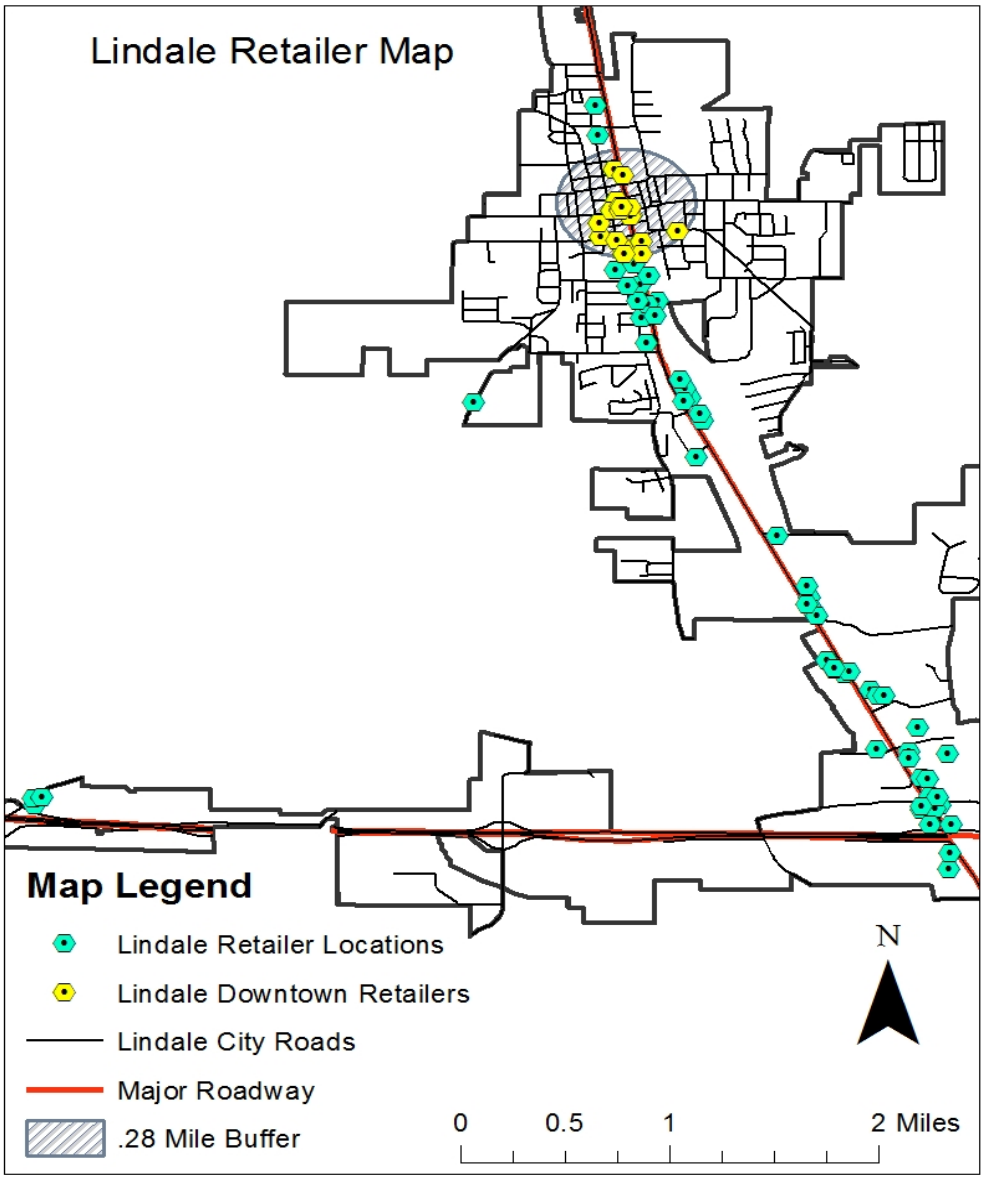


Figure 8: Hawkins, TX Retail Map

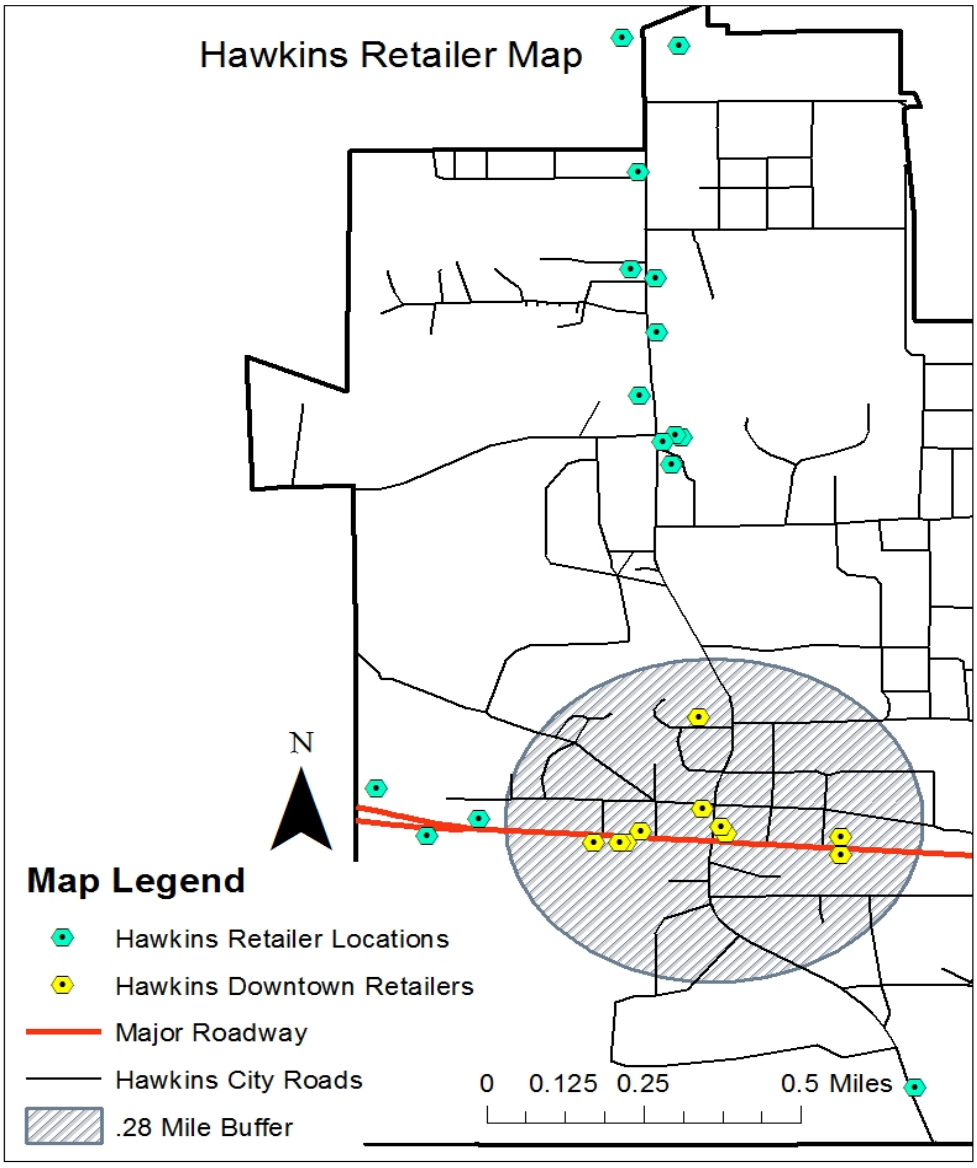


Figure 9: Emory, TX Retail Map

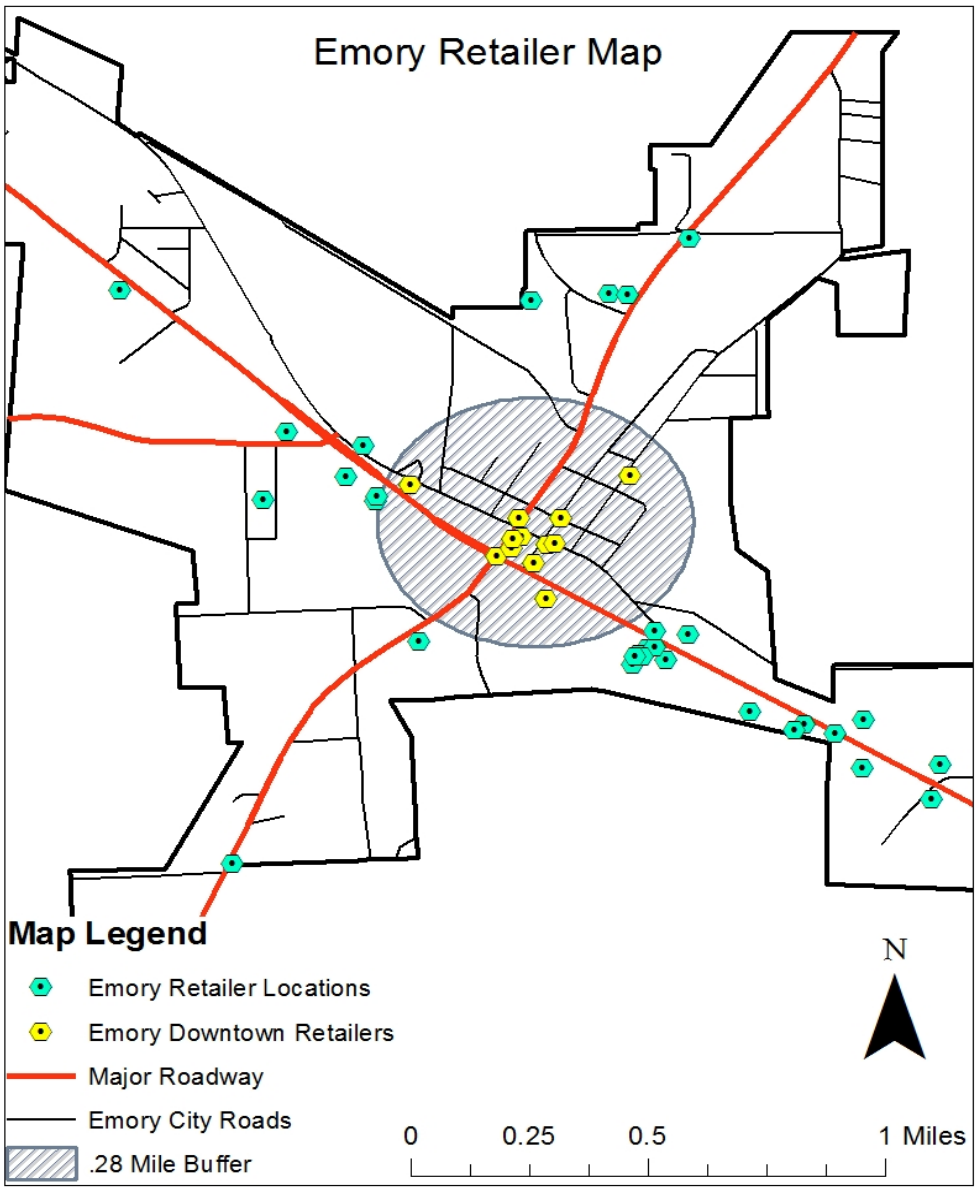


Figure 10: Edgewood, TX Retail Map

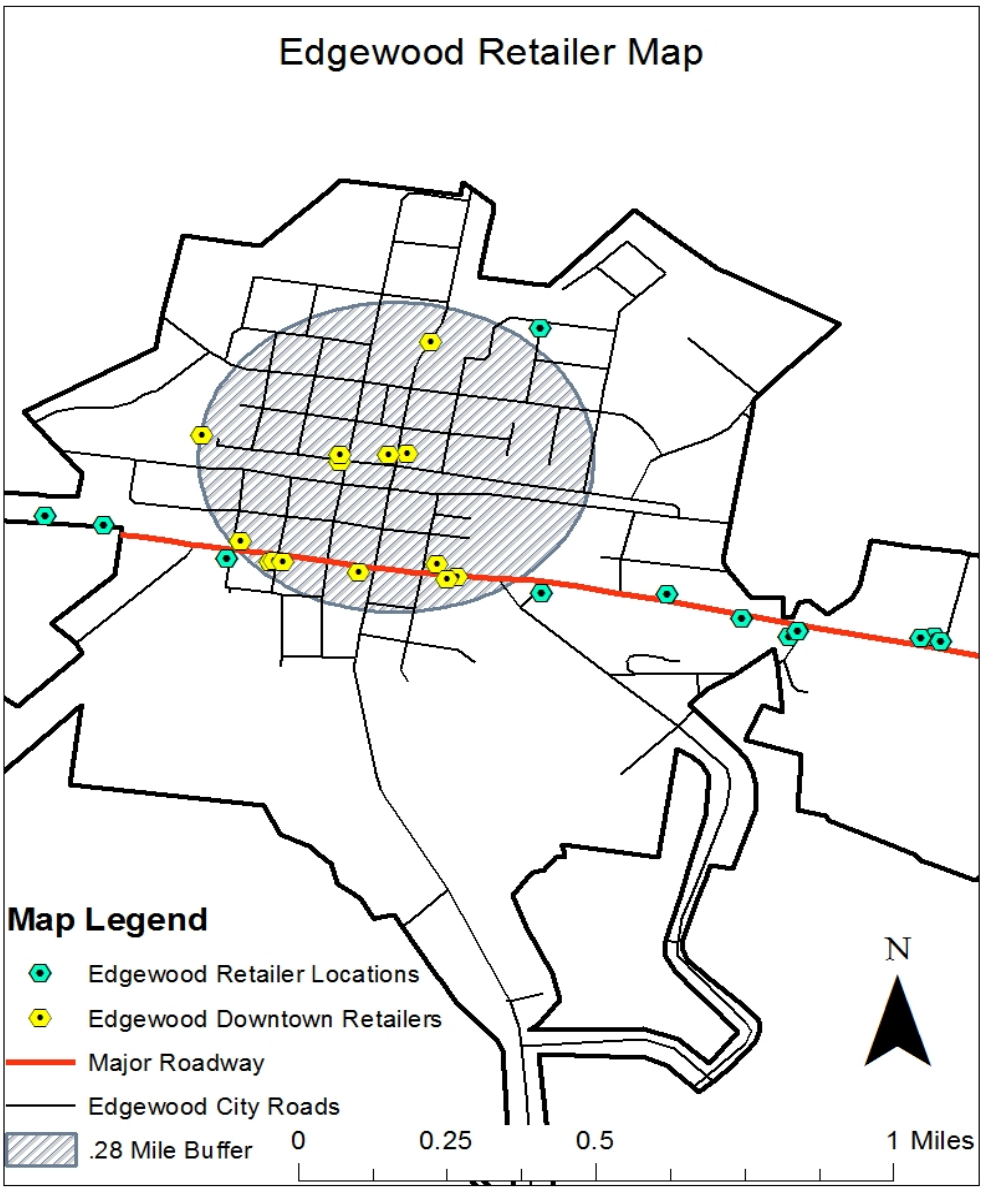
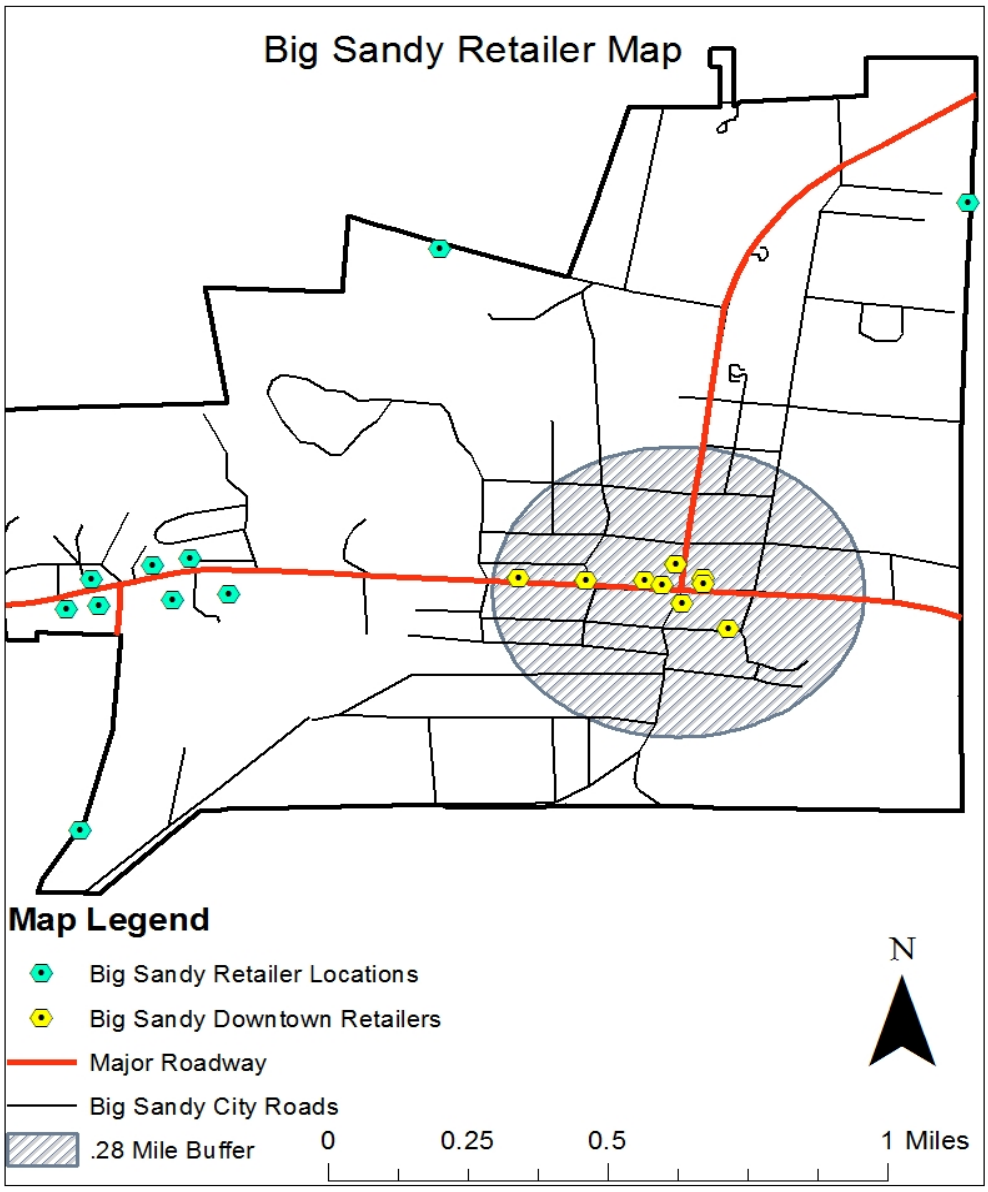


Figure 11: Big Sandy, TX Retail Map



As city limit sizes can differ, some of the results may reflect the differences in city limit sizes. Therefore, to illustrate the size differences between the towns in regards to their city limits, the area of each town (provided in miles^2 [source: U.S. Census]) is shown in Table 19.

Table 19: Nearest Neighbor Results Summary

Town Name	Nearest Neighbor Ratio	Critical Value	Pattern	City Area (miles^2)
Emory	0.793	-2.57	Clustered	1.5
Lindale	0.286	-11.91	Clustered	4.0
Malakoff	0.467	-6.37	Clustered	2.8
Hawkins	1.12	-0.94	Random	2.3
Edgewood	0.67	-2.93	Clustered	1.4
Jefferson	0.699	-4.63	Clustered	4.4
Wills Point	0.48	-6.89	Clustered	3.6
Big Sandy	1.06	0.46	Random	1.7

In a NNA, a Nearest Neighbor ratio less than 1.0 indicates a pattern of clustering present, while Nearest Neighbor ratio values greater than 1.0 indicate a tendency towards randomness or dispersion. Table 19 results show that all but two of the eight towns exhibit clustered retail within their city limits, one of which (Hawkins) is in the growing category the other (Big Sandy), in the declining category. Further discussion on the clustering and random spatial arrangement of retail will be provided in the forthcoming discussion section of this work.

Community Insight and Economic Change

The fourth and final question in this study was anecdotal information, and involved interviewing local business owners within each of the eight towns. The interviews were conducted with local business owners (when available), and when unavailable a senior manager or employee was interviewed. At least two businesses

within each town were interviewed with the exception of Hawkins as only one business was available and/or willing to interview. Additionally, due to the absence of any available interviewees, Big Sandy was excluded from this interview process. An interview form is provided in the appendix of this paper and covers the questions asked throughout the interviews. As expected due to the nuances of different locations, the interview results differed from town to town. However, although the interview results differed in many ways there are some interesting themes and comments worth noting.

The interview forms were broken down into two major sections: a “Quality of Life” questions section and an “Economic Transition” questions section. These questions followed a similar format to Wall’s (1999) work and were geared towards understanding the local nuances of each individual town in an effort to form some commonalities regarding a town’s local economic and retail climate. All respondents from both growing and declining towns replied positively when asked, “What do people say they enjoy about this community?” The most common reply among respondents was the “small town feel”, and the general atmosphere surrounding the local people. Local organizations such as churches, Rotary, Lions, and Kiwanis clubs (i.e. service clubs), Chambers of Commerce, and less formal groups such as sports youth foundations were commonly referenced as positive ways citizens were able to connect to the town.

When asked “What would you say are the economic strengths of this community?” all growing town respondents replied with a positive answer. The replies ranged from local employment nodes (e.g. a large scale local manufacturer, a strong business park, etc.) to an active local government. When prompted further on the local government response three respondents provided detailed answers. Their answers had

a common focus: because the local governments were active in the community, the citizens felt there was some effort from the public side. Whether promoting the local Chamber of Commerce or being proactive with local citywide improvements (e.g. roadway improvement, emphasizing parks and recreation), the respondents who thought their local government was an economic strength of the community were pleased with the involvement from the public sector. Referring back to the literature, this aligns with the statements made in Daniels (1989) work on small town economies; that is, a strong local government equipped with a vision and a plan for that vision are vital components in small town economic viability.

When prompted, “What are some ways in which you could see the local economy improve?” all but one of the respondents provided feedback. As expected, most of the answers differed but there are a few commonalities that can be extracted from their replies. The primary takeaway from this question was that all communities saw various ways in which they could improve. This is important because it highlights a shared vision among all of the respondents that even though in times of economic strain – especially within the declining towns category – there is a desire from the public to improve, although the vision may not always have a clear direction. For example, some communities expressed the desire to see more involvement from their local officials, while others felt citizens and business owners need to increase their participation and communication within the community. These responses further substantiate the need for a concerted effort from both the public and private sectors, and that the needs of all communities are nuanced and should be treated accordingly.

CHAPTER V

DISCUSSION AND CONCLUSION

The research completed here focuses on different characteristics and local elements that are most influential on small town retail growth and decline. Both qualitative and quantitative approaches have been included to provide depth to the analysis. The discussion section provides commentary on each of the individual research questions. Following the discussion section, a summary section ties the research findings into the introduction and the main research goals, and a discussion and future research section finishes the study.

Research question 1 asked “What changes in retail establishment types have occurred between 1998 and 2012? The goal of this question was to understand the dynamics of retail in the area temporally, as well as understand what changes have been happening by retail category. The findings of this research found that between growing and declining towns, there are certain retail types that are growing or declining faster than others. In the case of all the towns, General Merchandise Stores have seen significant growth (125.7%). This can most likely be attributed to the retail growth strategies of retailers such as Dollar General and Family Dollar, which target smaller towns in addition to the traditionally discussed big-box retailers such as WalMart. If true that these growing towns do indeed tend to have more general merchandise stores, this would support the findings of Jones and Doucet (2000). This may be partially explained by consumer preferences and spending patterns. That is, a town with a general merchandise store exhibits some level of retail gravity which draws in consumers from

outside regions. While the level of draw would fluctuate on a variety of factors, even a small gravity created by general merchandise would bring in outside expenditures. This ties into the previous discussion on external and internal economic forces and whether the two can coexist to create a stronger local economic climate.

Additionally, regarding Food Service and Drinking Places, growing towns show a much more favorable growth rate (54.0%) than declining towns (-7.5%). Although individual retail brands (e.g. “Mom and Pop” vs. “name brand”) were not analyzed, it would appear that growing towns are providing a wider array (i.e. greater variety of merchandising mix) of Food Service and Drinking Place products. This ties into the anonymously written article (1995) referenced in the literature review stating that small town retailers’ ability to offer a wider array/niche assortment of products may help attract a wider customer base. Building Material and Garden Equipment and Supplies Dealers stores are experiencing rapid decline in both growing and declining towns with -26.6% and -31.1% loss, respectively. This may owe largely to the fact that the smaller format versions of these stores have been affected by “category killers” typically located in more metropolitan areas, and the effect of category killers on certain retail formats should be noted when analyzing these results.

The second research question in this thesis asks, “What socio-spatial and economic characteristics correlate with growing retail towns?” The purpose of this question was to assess what sorts of characteristics are most influent on retail growth in small towns, whether spatial characteristics or socio-economic characteristics. After running a multiple regression to see what characteristics correlated most significantly with growth, it was found that two variables were significant at the .05 level. Those

variables were “Miles from Lake” (i.e. how far each city is from the nearest Texas Parks and Wildlife registered lake) and “County Seat” (i.e. if the town is the county seat of its respective county). In the case of “Miles from Lake”, towns that are closer to a lake show a higher correlation with growing retail. In the case of the “County Seat” variable, it was found that towns that do not serve as their county seat correlate with growing retail.

Tying the “Miles from Lake” variable back to the literature, it would seem that growing towns located near lakes are exhibiting growing retail economies. Referring back to Johnson’s (Johnson, 2006) work, this would support the claim that areas that are able to integrate some natural amenities (in this case, lakes were used as a proxy given their prevalence in the east Texas region) are likely to be “experiencing new opportunities for growth and development”. Furthermore, this claim is also partially supported by the interview component within this research. In many cases when prompted, “What are some aspects you have heard people say they enjoy about this community?” a common response was a nearby lake when applicable.

The “County Seat” variable finding is equally interesting to the “Miles from Lake” variable, although for different reasons. Referring back to Fuguitt (1965), the literature points to county seats as a unique, potentially catalytic area for retail development to occur within small towns. However, the towns that are not their county seats in the case of research question number two correlated with retail growth. This may be partially explained by a few components. The first part of this explanation aligns with Dawson’s (2012) work which states retail geography is extremely dynamic and constantly undergoing change. A county seat may have been an influential retail magnet in the early to mid 1960s, but due to changing retailer practices and consumer preferences a

county seat may no longer have the same level of retail gravity in today's economic climate. Another potential explanation for this is that even though county squares/traditional downtown areas (or, as Kunstler [1994] states the town's "historic infrastructure") do not provide the necessary space required for some higher gravity retail operators. This may point to the need for a slight update in the geographic literature on the topic. However, the general lack of strength of the multiple regression due to a small sample size should be noted accordingly.

The third research question analyzed the spatial arrangement of small town retail. That is, to what level – if any – is retail clustering present within the towns. The goal of this question was to see if growing or declining towns actually showed any level of clustering, dispersion, or random distribution. After running a NNA, the results were then interpreted to see if clustering or dispersion is significant in the towns, and if any conclusions may be drawn to help understand the dynamics of retail's spatial distribution in small towns.

The results of the NNA were unfortunately not as insightful as hoped. Clustering was present in six of the towns and a random pattern was found in two; of the two, one town (Hawkins) was a growing town and one town (Big Sandy) was random. Some of the lack of truly insightful results for this research question is partially due to the fact that the NNA extents of each of the towns was variable as city limit sizes are all different. Standardizing the city limits would not have been a possible fix for this issue, as only retailers within the city limits were considered and standardizing city limits would have excluded retailers in many towns. A possible proposed fix for this would be to only assess retailers within a range of a given point – downtown, within a fixed distance of a

given road, etc. – within the town; however, as this research is more concerned with citywide and regional patterns a hyperlocal scope of analysis would not have best fit the overall research.

The fourth research question was primarily focused on anecdotal input to better understand socio-economic characteristics as they affect small town retail. The questions asked focused on quality of life (for example, “What would you say locals enjoy about this town?”) and economic transition (for example, “What changes in the local economy have you seen in recent years?”). Many of these questions were similar to those asked in Wall’s (1999) research which also sought to understand small town viability.

The results of this question were slightly mixed, although generally speaking the results are fairly intuitive. In most cases, local business owners in growing towns had more positive things to say about their local economies than those in the declining towns. In line with Wall’s (1999) research, it also appears that towns with more active economic organizations (Chambers of Commerce, Economic Development Corporations), as well as social organizations (higher involvement in religious organizations, Kiwanis/Rotary clubs, etc.) were more common in towns with growing retail.

Although not the goal of this research, per se, this brings forth an interesting question that would be fit for future research. That is, what is the role of place in locals’ perception of their town and economy? Does a lagging economy eventually become engrained in the perception of the majority of the locals and therefore becomes a sort of

self-fulfilling prophecy? This research did not attempt to answer such a question, but would certainly make for some interesting and thoughtful future research on small towns.

Summary and Future Research Recommendations

The primary goal of this research sought to understand what characteristics are present in small towns with growing retail economies as opposed to small towns with declining retail economies. Beyond understanding what characteristics were present in these towns, this research also sought to understand what characteristics are actively contributing to retail growth and decline. As expected, it is a complex situation that cannot be boiled down to a few traits. Furthermore, previous research cited within this study continues to hold true; that is, what works for one town may not work for another, and differences between towns vary. With that said, there are a few implications that can be extracted from this research. These implications can be thought of as “lessons learned’ or actionable items that small towns may consider in their endeavors to grow not only their retail economies, but their economies as a whole.

The first step for any small town is to assess their current situation. Is significant retail economy growth or decline present in the city? Diving further into the assessment, what retail categories are growing or declining, and what can be broadly stated based on this assessment? Although difficult to summarize, creating a strategic plan to assess the local economy – specifically in this case the retail economy – can provide a useful baseline. Such a plan can be undertaken by a strong local government with strong leadership and clearly defined goals, which leads to the first implication in this research:

a strong and well-led local governing body is crucial. Not only does local government provide valuable leadership, but an invested local government is reciprocated within the community more often than not. Citizens and business owners should find ways to align their goals and strategically achieve these goals. This research has helped support the literature that business involvement within the community is well-received. Therefore a cohesive plan between the public and private sides, as well as the community's role in the plan – should be one of the first and most important takeaways from this research.

A second implication from this research is further research should be devoted on various small town economy components, e.g. local employment, an inventory of individual retail brands, etc. From this research and from personal experience, the author inclined to believe that certain retail types can serve as a catalyst for areas. By taking an inventory of retail brands and understanding hyper-local characteristics, plans for further retail attraction can be put into place. A possible method to take care of this inventory and hyper-local analysis could involve hiring an experienced consulting firm, which could then help draft an action plan for the city. This again ties back to the need for a strong local governing body that is willing to put forth such an effort and a community that would support the effort.

There are three major recommendations to be taken from this research. The first recommendation is targeted towards the public sector, the second is targeted towards the private sector, and the third is towards the citizens in these small towns.

Regarding the public sector, the major recommendation is to understand the local economy and actively explore ways to boost the local economy. Talk to other

similarly sized communities that have had success building their economies and find out what has worked for them. While there is not blueprint that can be passed down from one community to another, there are certainly lessons learned that can be passed down. This reiterates Lambe's (2008) conclusion that there is no one sized fits all approach that will create universal success; however, understanding the larger dynamics that are potentially contributing small town economic success can be used within a case study framework to help guide small communities. Understanding what growing pains can be expected and how to combat these issues will be invaluable in stimulating the local economy.

For the private sector, one recommendation is that small towns should not be disregarded as lost opportunities; rather, these towns can provide unique development opportunity. Although it is true that certain types of retail will fit the small town context than other retail types, exploring business growth opportunities, there is a place for many entrepreneurs in small towns. Local government entities and the citizens of these communities should welcome outside investment, as the research has shown that local and external influences can successfully co-exist in these places. Furthermore, entrepreneurs can hopefully apply certain components of this research in their quest to identify further growth opportunities in small towns.

The final recommendation is targeted towards the public sector and citizens within small town communities. This research has shown not all small towns are doomed to lose retail; rather, there are numerous examples of towns in the east Texas region that have maintained a strong, viable retail presence. The findings presented in this research suggest that although some factors contributing to small town retail growth

are outside the realm of local influence (i.e. geographic features such as distance from a lake), there are measures that can be taken from a local perspective that may help encourage retail growth. From the citizen's perspective, it's crucial that collaborative measures are taken with the local government. As evidenced through the interviews in this study, higher levels of participation with local organizations such as Chambers of Commerce are more common in towns with retail growth. Whether this is a function of already existing retail, whether such involvement has helped contribute to this retail growth, or a combination of these elements is benefiting retail in these towns is a possible avenue for future study. The interview component within this research also shows that local governments that are actively involved in the community are generally well-received by the local citizens. This further substantiates the literature (specifically, Daniels' 1988 and Lambe's 2008 work), which states a strong local economy often requires a cohesive effort from both the public and private sectors.

In conclusion, this research is by no means the end of small town research. Further research recommendations have been made throughout this study and, if able, the author is available to extend further research direction and input. This study does not come without its limitations, and there are certainly more questions that can be asked through future research. One major component future research should consider is employment within small towns as it relates to retail growth and decline. For example, are certain types of employment more dominant in towns with growing retail or declining retail? If so, what explanations could be provided for employment as it correlates to retail mix and sustainability? An incorporation of employment characteristics within small town retail climates would certainly provide a much broader

economic view. Additionally, further research similar in focus to this research should focus more heavily upon individual retailers – e.g. identifiable regional/national brands – and look to better understand the role these types of retailers play within the local retail landscape.

Another future research avenue is to take a closer examination on the spatial distribution of retail within the small towns. A hyperlocal level of analysis could focus on nodes within the town. For instance, does retail significantly cluster around Interstate highways, or does retail tend to cluster around certain retailers (e.g. WalMart)? What is the spatial distribution of Main Street retail in small towns, and are Main Street and/or downtown corridors losing their retail presence? The clustering present within a fixed distance of a downtown area may provide interesting insight and follow up on Robertson's (1997) claims that small towns may have issues supporting a mixed-use center, although downtown areas would theoretically be great spots for mixed-use due to their small size. These future research recommendations will only help further the geographic literature and potentially benefit small town economies in a big way.

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APPENDIX A

Business and Local Citizen Interview Form

Business and Local Citizen Survey

Business/Organization Name: _____ Position Title: _____

Date & Location of Interview: _____ Time: _____

Quality of Life Questions:

a) What are some things and aspects you have heard people say they enjoy about this community?
b) What do you think this community is well known for among the people who live *here*?
c) What do you think this community is well known for among people who live *somewhere else*?

Economic Transition Questions:

a) What would you say are the economic strengths of this community?

b) What would you say are the economic weaknesses of this community?

c) What do people do to become involved in this community?

d) What changes have you seen in the local economy in the past decade?

e) What are some ways in which you could see the local retail economy improve?

f) Have you noticed any changes in clustering of any specific business types in your community's downtown area within the past decade? For example, have you noticed a "grouping" of certain types of retail establishments (e.g. a few restaurants move in nearby to one other). A change could include either an increase or a decrease (a decrease, for example, could be a number of furniture stores leaving the downtown area).

g) Have you noticed any changes in business clustering in any other area in your community (outside of the downtown area)?

h) Have there been any publicly known/available economic incentives offered by any local government or economic development entities within recent years that you feel have helped encourage retail development?

i) Is there anything else you would like to add or ask related to the questions above?