



MEMBERSHIP MATTERS

Lost River Deli and Market Public
Relations Campaign

TEAM 3

Melissa Dvojacki, Faye Dunbar,
Stephanie Green, Patrick Hammer,
Caitlin Herbert

TABLE OF CONTENTS

Executive Summary.....	2
SWOT Analysis.....	2-6
Public Analysis & Perception.....	6-10
Problem Identification.....	10
Key Publics Identification.....	11-12
Campaign Goal.....	12
Objectives.....	12
Positioning.....	13
Strategies and Tactics.....	13-16
Themes and Messages.....	16-18
Timeline.....	19-21
Budget.....	22
Implementation Materials.....	23-24
Evaluation.....	25
Research.....	25-27
References.....	29

EXECUTIVE SUMMARY

Lost River Market and Deli is a food cooperative located in Paoli, Indiana. The grocery store offers local, organic, free-trade and bulk items that are otherwise seldom found in Orange County. The in-store deli offers soups, salads, sandwiches, wraps and more which contribute to a significant portion of the store's sales. As well as having a bakery and large fresh produce section with vegetables, fruit and meat. The organization also provides a catering service for events and offers a space for clients to host parties.

Approximately 1,145 members currently make-up the co-op ranging from several Southern Indiana counties such as Lawrence, Orange, Martin, Washington, Harrison and DuBois counties, along with additional supporters from outside of the region and state. This co-op aims to play a significant role in its community as it supports other local organizations. Since they opened and began operations 11 years ago, they have been performing at an annual deficit of \$45,000.

Through client communications and use of secondary research our team has decided to focus on their strongest public, by working with the current pool of customers and engage them to become more involved. Our campaign aims to rekindle and strengthen already-existing relationships with customers by targeting both inactive and active members to become more involved with the co-op, in hopes of making the organization profitable.

SITUATION ANALYSIS

Internal Analysis -

Strengths:

Safe, quality and locally produced goods

A major factor that sets Lost River apart from its competitors is the quality of their produce sold. With many of their vendors being local farmers and the majority of their food suppliers producing within the boundaries of the county,

customers can expect better quality grown food from members of their own community. According to a customer survey conducted by Lost River, 84.7 percent of its shoppers indicated the quality and freshness of products as the most important factor they consider when shopping, while 53.1 percent of respondents considered the availability of natural and organic goods most important.

Wi-Fi Oasis in a desert of Internet and cell connectivity

Another attractive aspect of the Lost River co-op is their Wi-Fi connection. Through our primary research, we learned that the only other Internet hotspot in Paoli, Indiana is at the local library. In a rural county where proper Internet connection is scarce, this makes Lost River a perfect place for customers and students to come in and surf the Web.

Strong, collaborative work environment that promotes community/economic engagement and sustainable practices

There are many benefits that Lost River Co-Op provides not only to their customers but the community as well. The internal benefits include a clean environment that is surrounded with positive energy and a strong mentality to work and help others. Findings in the Lost River customer survey reveal that 55.8 percent “strongly agree” that the market works toward to creating a sense of community. Also, 50.5 percent “strongly agree” that the organization promotes environmental stewardship, while 63.1 percent “strongly agree” that it also promotes local, sustainable agriculture.

Great customer service: friendly, knowledgeable staff paired with a warm, welcoming environment

Through our research of gauging the general attitudes and feelings of Lost River, we discovered its customers embodied positive feelings towards both the store and its employees. The Lost River customer survey showed that 66.3 percent of its customers felt that the knowledgeable staff was meeting their needs “very well”, while 76.8 percent indicated that the friendly and courteous staff was also meeting their needs “very well”. Additionally, 72.6 percent of shoppers indicated the atmosphere and the ambiance of the store met their needs “very well.” As far as the impact Lost River has on its customers, 61.7 percent “strongly agree” that

Lost River has a positive influence on the community and 47.3 percent “strongly agree” that the co-op is meaningful in their life. These results demonstrate the positive feelings the customers feel towards the store and employees.

Strong PR practices and efforts

Lost River is highly supportive of their current PR practices and has implemented many avenues for current and future success. The co-op’s previous PR manager, Whitney Sewell, has found new ways to increase online engagement. Lost River has been actively reaching out on social media platforms, along with creating newspaper ads and articles, cross promoting with other organizations, and tabling at events in the community. According to the Lost River Market and Deli 2018 Marketing Report, between September 2017 and July 2018, the co-op doubled its Facebook followers, gained 337 Instagram followers (reaching a younger audience), landed 12 free articles in the Times Mail and increased their e-newsletter subscribers by 412 people.

Mutually beneficial relationship between co-op and local producers and vendors

From background research provided to our group, we learned that since it’s opening, Lost River has purchased over \$1 million of goods from local vendors. In our initial meeting with Debbie Turner in the beginning of the semester, she mentioned that they have more than 100 local vendors, many of which had no marketplace before Lost River was established.

Weaknesses:

Inactive members

Through primary research (email interview with Debbie Turner), we discovered that a total of 499 members (43.6 percent) have not spent a single penny at the store in the last year. Along with nearly half of members being inactive, we also found that the top 40 members accounted for 36.9 percent of sales. This means that only 3.5 percent of members are actively contributing to over one-third of sales.

Low rate of grocery item purchases among both members and shoppers

Along with inactivity, there is also a low rate of grocery items purchases among both members and shoppers. The Lost River customer survey found that over one-third of customers (38.4 percent) spend “a little” (0-25 percent) of their grocery dollars at the store. Furthermore, 24.2 percent of customers indicated spending “some” (26-50 percent) of their grocery dollars there.

Pricing

The greatest problem associated with Lost River is the pricing of their items. While their produce is reasonably priced for being organic and local, the price is higher in comparison to similar goods that can be purchased at competitive retailers. This is an issue specifically in their county because it is one of the poorest counties in Indiana. ([Ropeik, 2016](#))

External Analysis -

Opportunities:

Providing economic benefit to community

With Lost River purchasing over **\$1 million of goods** from local vendors since its opening, this provides a great opportunity for the organization to become a prime economic beneficiary. If current members and shoppers became more involved with the store, it could result in money being put back into the community, overall improving its well-being.

Understanding member and customer values/wants/needs/shopping behaviors

Because of the significant amount of inactivity within Lost River membership, this creates an opportunity to learn more about their customer base. By surveying these groups, Lost River can gain crucial insight on what their supporters expect of the organization. Understanding what their standards of Lost River are, can help the co-op navigate how to promote engagement.

Creating member-appreciation initiatives in order to strengthen relationships

One reason for inactivity can be the lack of connection members feel to Lost River. The creation of member-appreciation initiatives can potentially lead to more involvement within the co-op. The Lost River customer survey showed that 62.9 percent of members considered member-owner specials/coupons/discounts to be either “very important” or “important”. Also, 64.9 percent felt that member-owner appreciation days are “important” or “very important”. Lost River could potentially rekindle and strengthen relationships by showing continuous appreciation for their support.

Education of food cooperative movement and culture

With a vast majority of members being inactive, this presents an opportunity to reach back out and remind them of the values and mission of the food cooperative movement. Secondary research supports that education of food cooperatives similar to Lost River is crucial. These organizations garner the potential of reaching social and economic goals that could not be achieved otherwise.

PUBLIC ANALYSIS & PERCEPTION

After learning more about Lost River, the community and the general environment Lost River operates out of, our team outlined the following publics to pertain most to the organization:

- **Lost River shoppers**
 - Using research provided to us by Lost River (Lost River Customer Survey) we found,
 - **27.6 percent** of shoppers spend between **\$51-\$75** on an average week while **22.4 percent** say they spend between **\$46-\$100/week**
 - **38.4 percent** of shoppers spend their grocery dollars at **Lost River**, **25.4 percent** of shoppers spend their grocery dollars at

Wal-Mart and **18.2 percent** spend their grocery dollars at **JayC Foods**

- **67 percent** of shoppers **buy most** of their **bulk products** at Lost River, **62.4 percent** **buy most** of their **fresh fruits and veggies** at Lost River, **46.9 percent** buy most of their **meat, poultry, fish and seafood** at the co-op, and finally, **46.8 percent** of shoppers **buy most** of their **deli and ready to eat foods** at the store
- **38.4 percent** spent **“a little”** (0-25 percent) of their grocery dollars at Lost River and **24.2 percent** spend **“some”** (26-50 percent) of their grocery dollars at Lost River
- **36.1 percent** of customers **shop** at the market **once a week**
- **40.4 percent** of customers are **between the ages of 55-64** and **10.6 percent** are **over the age of 65**
- **27.4 percent** **travel 1-5 miles** to shop at Lost River while another **27.4 percent** of shoppers **travel 10.1-25 miles**
- **37.9 percent** of shoppers have a graduate or professional degree and **31.6 percent** **have at least a 4-year degree**
- The **average household income** of a Lost River shopper is **\$50,000-\$74,999** (higher than average household income of a Paoli resident)
- Through primary research (email interview with Debbie Turner), it was revealed that:
 - In September/October of 2018, 36.47 percent of sales were by non-members. In 2017, this percentage was 35.62 percent
 - The average basket size for non-members is \$11.73
 - Most non-members shop exclusively at the deli
- **Lost River members**
 - Through our primary research with Debbie Turner (email interview), we found:
 - 499 members have not shopped in the last year making their membership base **43.6 percent inactive**

- The store's top 40 purchasing members account for **36.9 percent** of sales for the year, meaning that **only 3.5 percent** of members account for over one-third of sales
- In September/October of 2018 63.53 percent of sales were made by members - this is a slight decrease from the previous year (2017) when members were contributing to 64.38 percent of sales
- Average basket size among members is \$22
- **The residents of Paoli, Indiana**
 - The following information on Paoli residents was found based on a report done by the United States Census Bureau:
 - As of July 1, 2017, the population estimate was approximately 3,621
 - The median age is 38.2
 - The percentage of high school graduates or higher is 78.3 percent
 - The median household income in Paoli is \$31,589
 - Individuals in Paoli that are below the poverty levels equals 20.1 percent
- **Residents of Orange county at large**
 - After examining the Hometown Collaboration Initiative, Orange County survey, we found that:
 - Responses indicated that the largest share of residents have lived in Orange County for 31-40 years, meaning that a large portion of the population has lived in the area for decades.
 - 60 percent of respondents indicated they disagree that the county has a well-developed economic plan
 - 59 percent agree that there are groups and organizations actively engaging and promoting culture and heritage in the county; 21 percent of respondents strongly agree with this sentiment

- 55 percent of Orange County residents agree that they spend time in the downtown areas on a regular basis; 18.5 percent strongly agree

Public Perception:

While analyzing public perception, we looked at information regarding general attitudes and feelings amongst three groups: **members, shoppers, and the community at large**. We based our research off of the **Lost River Customer Survey, online reviews and our initial client meeting with Debbie Turner** in the beginning of the semester.

Members:

Members have an extremely positive attitudes towards Lost River. The customer survey demonstrated that 49.5 percent of members strongly agree that the organization can be trusted to make ethical business decisions. Over half of members (61.7 percent) strongly agree that the market has a positive influence on their community and 47.3 percent strongly agree that Lost River is meaningful in their life.

Shoppers:

Shoppers generally have a positive view of Lost River. On Google, the co-op is ranked 4.6/5 stars. On Facebook, it is ranked 4.8/5 stars. The majority of reviews on TripAdvisor.com are five-star ratings, describing Lost River as “unique”, “homey” and “clean”. Many of the postings praised Lost River’s beer selection and deli, specifically the sandwiches and homemade soups. Some shoppers do feel that prices at Lost River don’t meet their needs. Lost River’s research showed that a quarter of its shoppers (25.3 percent) feel that the organization is doing a “somewhat poor” job of meeting it’s shoppers needs.

Community at large:

According to our initial meeting with Debbie Turner in the beginning of the semester, she said that other members of the community that are not involved with Lost River have generally negative perceptions of them. Many of them believe

that the co-op is a “hippie” and “over-priced” store. However she did mention that those who do eat and shop at Lost River find it to be a very pleasant store and environment.

PROBLEM IDENTIFICATION

Lost River Market and Deli is currently running at an annual deficit of approximately \$45,000 a year and is being sustained by a select group of loyal members who believe in the organization’s mission.

Major External Factor: Competition

With the co-op being operated out of the poorest county in Indiana, it is difficult to remain competitive among larger-chain stores such as Walmart, JayC Foods and Save-A-Lots. A customer survey conducted by Lost River found that over half of its customers (66.7 percent) purchase their everyday grocery items such as cereal, juice and canned goods elsewhere.

Major Internal Factor: Membership inactivity

Through primary research, our team discovered that nearly half of members (43.6 percent) have not shopped in the last year. Additionally, research provided by Lost River found that the top 40 purchasing members accounted for 36.9 percent of sales for the year. With a customer base of over 1,000 members, this finding reveals that only 3.5% of members contribute to over one-third of the store’s total sales.

Our team feels this specific internal pain point is a major obstacle that is preventing success and growth of the organization. Because of this, we made a conscious decision to focus our attention on this issue and will be further examining it later in the plan.

KEY PUBLICS IDENTIFICATION

While much effort could be put forth towards gaining new members, our team decided to focus on the large discrepancy in **active and inactive members**. We feel this specific internal pain point is one that if resolved, could potentially result in major success and growth for Lost River Market and Deli. Through the tactics we have in mind, we believe we can also indirectly target already existing shoppers to promote deeper engagement and involvement.

Primary Audience - Inactive members

- Through our research, we found that 43.6% of current members (499 members) have been inactive within the last year. We are targeting this specific to welcome them back to the store and remind them of the it’s mission and benefits.

Secondary Audience - Active members

- Even members who are active are only spending an average of \$22 per visit. We believe that by making promoting member-appreciation initiatives, we can increase basket price and shopping frequency.

Current Members	Current Shoppers
499 have not shopped in past year (43.6%) - INACTIVE	26% spend \$51-75 a week
Top 40 members account for 36.0% of sales - 3.5% of members contribute to more than one-third of sales - INACTIVE	Average basket size \$11.73
64.38% of total sales - ACTIVE	35.62% of total sales

Average basket size \$17.74 - ACTIVE	52.56% shop once a week or more
---	---------------------------------

CAMPAIGN GOAL

The overall goal of our campaign is to make Lost River Market and Deli profitable by positioning it as a prime destination in Paoli for purchasing quality, organic products and grocery items. For the past ten years since the opening of the grocery co-op, it has been running at an annual deficit of \$45,000. Our team is looking to specifically target already existing members, both active and inactive, as well as indirectly speak to current shoppers. We are planning on reconnecting with already existing members to promote involvement within the co-op in hopes of decreasing inactivity and increase engagement. Through positive communication we aim to make active and inactive members feel empowered and valued.

OBJECTIVES

1. Decrease the number of inactive members from 43.6% to 30% by the end of 2019
2. Increase the amount of money spent on each basket
 - a. \$22 to \$30 among current members
 - b. Secondarily \$17 to \$25 among current shoppers
3. Increase shopping frequency among both shoppers and members
4. Understand why only 40 members are supporting the bulk of the co-op

POSITIONING

Lost River Market and Deli offers top quality and variety fresh and organic food. As well as local grown and produced products. Not to mention the bakery and daily specials! Shopping here is the healthy choice, the morally right choice by supporting your community, and the smart choice by becoming a member and putting money back into your own pocket” (Cusick, W. J. (2009). *All customers are irrational: understanding what they think, what they feel, and what keeps them coming back.*)

- Saving Money
- Community Engagement and Growth
- Membership Benefits

STRATEGIES

Objective 1:

1. Reconnect with inactive members to invite them back to market and understand their wants/needs
2. Motivate members to be more engaged and involved
3. We have 1145 members and 499 of those members are inactive which is 43.6%. This is almost half of the members of the co-op that do not shop. We are planning on implementing events at the co-op and offer discounted items to bring inactive customers back.
4. According to the survey, 48.4% (44 people) agreed that monthly co-op newsletters and other mailing is considered very important when it comes to the co-op. This will update inactive members on events and promotions that are occurring at Lost River Market & Deli.

Objective 2:

1. Incentivize shopping among members and shoppers by emphasizing great prices, discounts and specials.
2. Message Positioning:
3. 62.1% of customers agree that they are willing to spend more money for products that are produced more sustainably.
4. We can have an “everyday item” aisle in a more visible central location in the store to grab attention from customers when they walk in.
5. Ways to increase sales:
6. Sharing valuable assets
7. Digital connection
8. Calling over emailing is more powerful
9. Rewarding loyal customers

Objective 3:

1. Informing both members and shoppers about current product specials available and emphasizing other services offered in co-op communication
2. Message Positioning:
3. Have an “everyday items” aisle with our most popular products
4. MEMBERSHIP MARATHON: Give incentive to keep shopping so they can win something at the end
5. SEASONAL PARTY: Members each have plus 1; drink tickets (2 free drinks) can buy more drink tickets
6. Raffle
7. Have welcome back party for inactive members to remind them about all the positive aspects of the co op

Objective 4:

1. Learn the shopping tendencies of members
2. Host bi-yearly membership meeting to learn the wants and needs of everyone
3. Separate the loyal vs non-loyal members
4. Message Strategies:

5. 78.7% of people responded in the survey that Lost River does a great job when it comes to supporting local, sustainable agriculture. Target those members who are willing to pay more for these and implement more products in this category.
6. 53% of people agreed that Lost River does a great job in promoting a “sense of community”.
7. Providing more activities in the co-op and hosting seasonal events can increase this “sense of community” feel and can remind inactive members of what it is like to be part of this community
8. The staff plays a huge role in this situation. Lost River Market & Deli benefits immensely from having such a strong group of employees who care a lot about the co op. (?) Emotional affect: this staff can lose their job if they don't have enough money and support by the community

TACTICS

Objective 1:

1. Send out customized “Welcome Back” postcards to inactive members w/ personalized coupon.
2. Host seasonal social events specifically for members.
3. Implement rewards system: Members can receive points for dollars spent, events attended, surveys completed - redeem points w/discounts/gifts.
4. Member Spotlight.

Objective 2:

1. Promotions of items that pair well together.
2. Cross-sale in other parts of the store.
3. **“D-I-Y PROGRAM”** Place cutouts at deli that detail ingredients used in “Deli Special of the Day” with discounts on specific items attached to promote customers to buy the products while in LRDM to make.

Objective 3:

1. Additional newsletter and weekly email reminders about catering, event booking and additional services.
2. Create “punch card” system where members can receive a special perk every 10 visits.
3. Survey customers to assess what other products they’d like to see in-store.

Objective 4:

1. Host social, bi-yearly membership meeting to learn the wants and needs of everyone.
2. Send out a survey in the membership newsletter to learn more about shopping habits.

KEY THEMES

- **Community:** Lost River has the ability to positively benefit all of Orange County, IN. residents. Welcoming them with Lost River’s warm and caring employees can engaging more with both active and inactive members can bring the community together. The seasonal events that we are planning on implementing can be another way to make community members feel more welcome and have a chance to mingle with others. In addition to having all the delicious food that the co-op has to offer.
- **Collaboration:** Interacting with members and constantly sending out newsletters can provide inactive customers with rekindling with the co op. Lost River wants to make inactive customers feel alive again.
- **Empowerment:** By connecting all the members and customers together they can build up the community and economy giving them more bargaining power as a community. Eventually after we achieve our goal members will gain more power by seeing the benefits of their membership once LRMD becomes profitable.

- **Unity:** This theme gives customers the opportunity to pair items together. We will transform inactive members into active members by “uniting” them with the community
- **Motivation:** We are planning on motivating customers to buy some of our more popular products. We plan on revealing our ingredients for some of our top products to customers can buy the ingredients so that they can make these items at home. This will allow customers to go to other areas in the store. Customers will become exposed to more of our products and potentially purchase something that they may not have in the past.
- **Inspiration:** We can inspire our customers and members to use LRMD as their primary grocery store. We will inspire them by reminding them about the member benefits. As we continue inspiring members and customers will continue to shop at LRMD and they will begin making a profit.
- **Positivity:** We want to end this stereotype of Lost River being “communist” or “hippy”. We need to make all members feel wanted and give them a motivation to come back and shop at the store. Although there are less expensive stores in the area to shop at, we need to make it appear as if Lost River is the BEST place to shop. We plan on implementing surveys to retain more feedback. The more feedback we get, the easier it will be to get into consumer needs.
- **Continuity:** We will show members and customers all the hard work LRMD puts in to meet their needs. This will give members and customers an appreciation for what LRMD does for them and they will continue shopping their and eventually it will positively impact LRMD reputation.

KEY MESSAGING

The goal and purpose of our messaging in the “Membership Matters” campaign is to use humor and emotion to grab the attention of our audience to provoke action through communication that will lead to a behavioral change. The primary focus of this campaign is to target current members which is why our messaging will be shown in the store on posters, pamphlets, register cut-outs, hang-down signage from the ceiling and through the monthly newsletter. As well as speaking through employees by them verbalizing our positioning and positive messaging.

Objective 1:

1. “Get rewarded in the way that helps you”
2. “Buy 2, get the 3rd free”
3. “Celebrate your membership with wine, beer and live music”
4. “Be the new member of the month”

Objective 2:

1. “Love it here, and at home!”
2. “Best customer service in Paoli”
3. “Cheese takes better with a glass of wine”
4. “Shop local first”

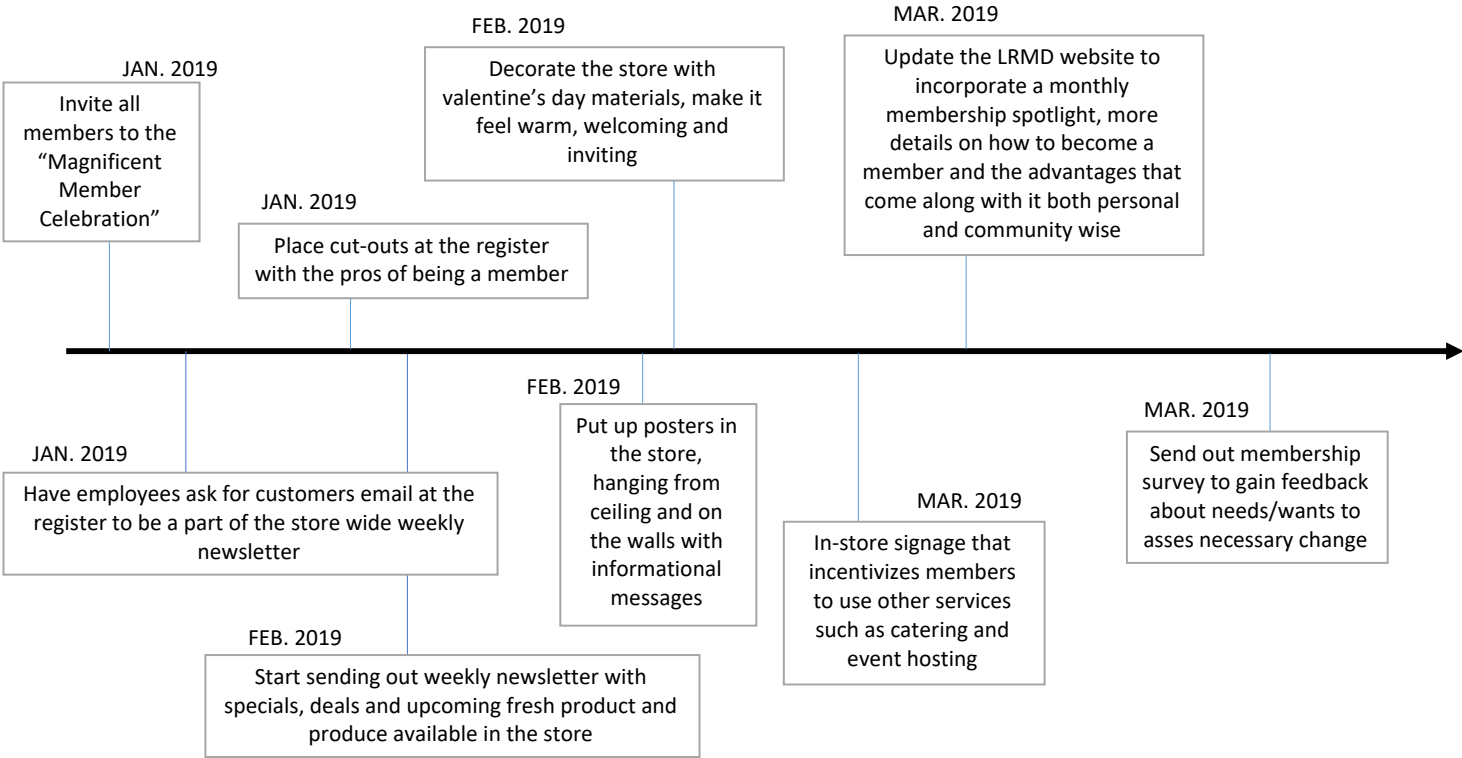
Objective 3:

1. “Summer is coming and so are our fresh strawberries”
2. “Tell us what you want, and we’ll get it”
3. “We’re more than just a grocery store, have your next party with us”

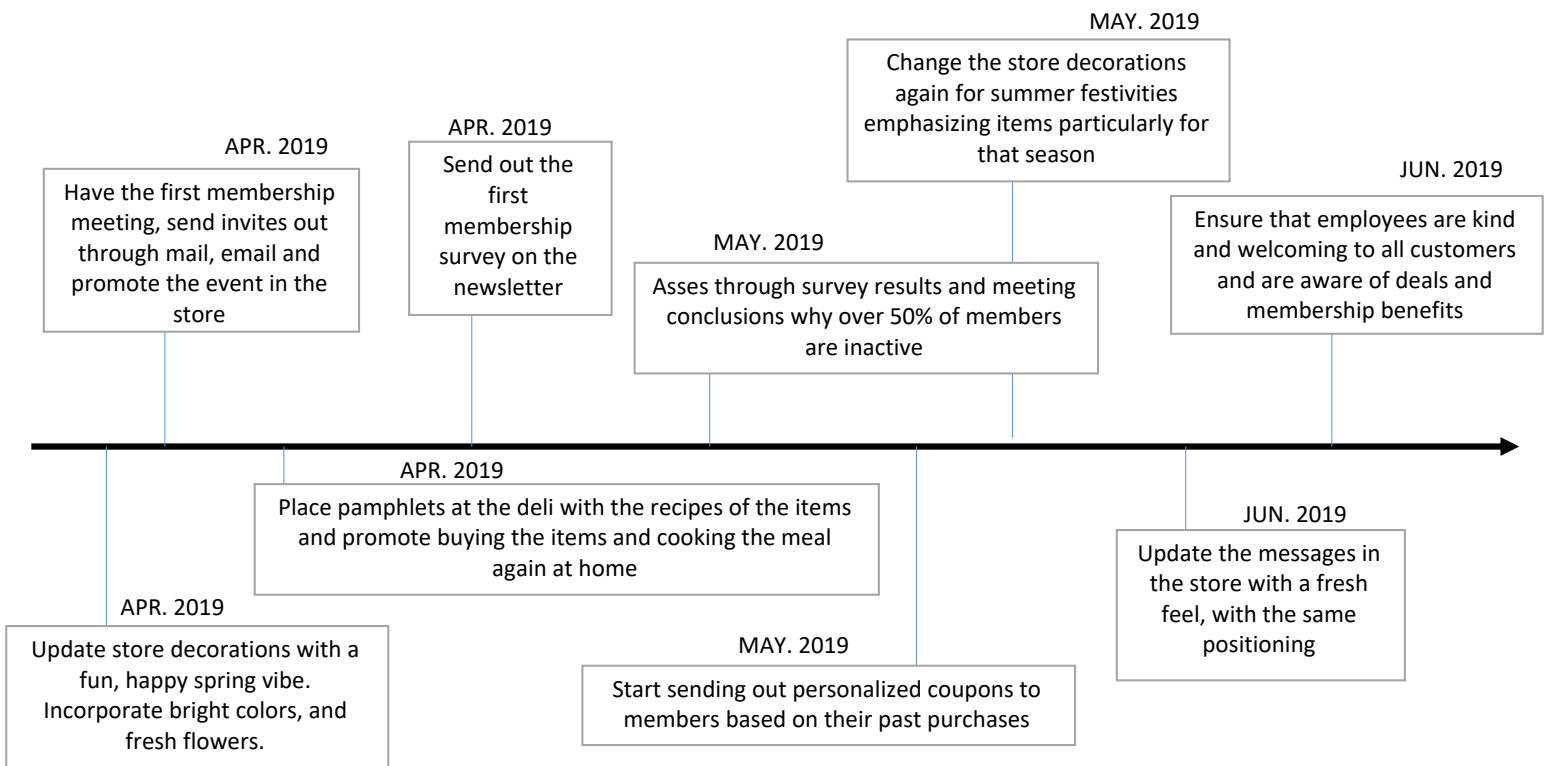
Objective 4:

1. “Tell us how you feel, don’t be shy”
2. “Have something to say? Say it!”
3. “Be as real as the food we sell”

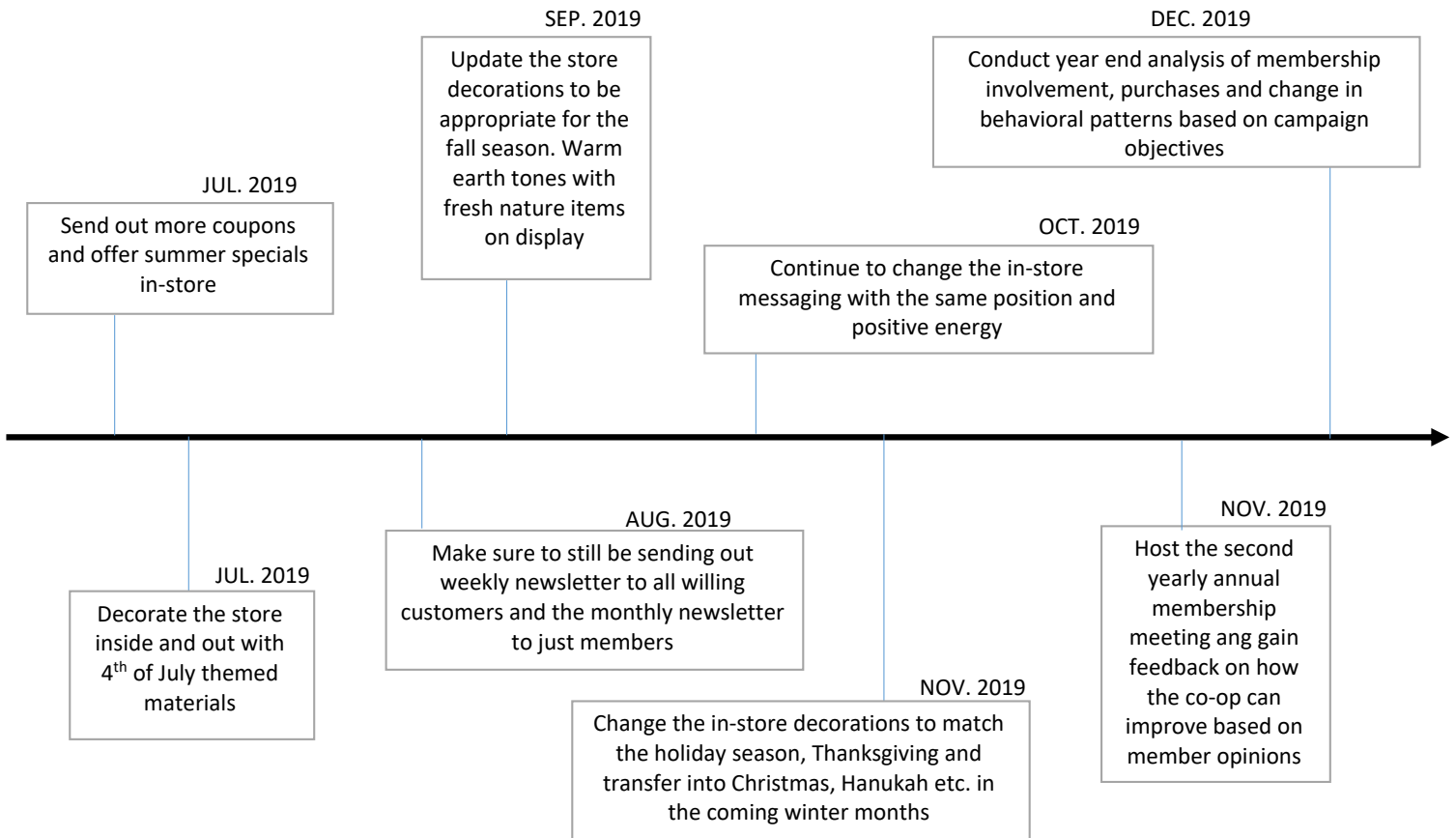
TIMELINE



TIMELINE

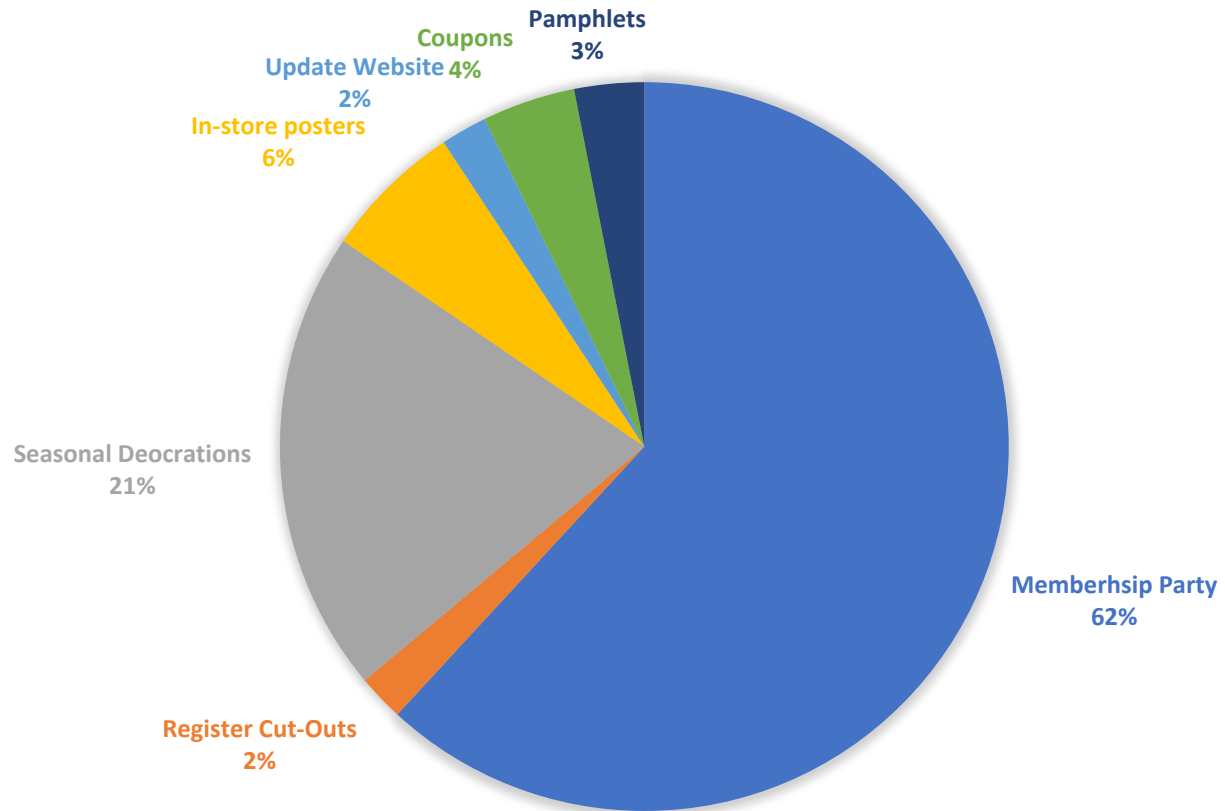


TIMELINE



BUDGET

COST



ITEM	COST	TOTAL
Membership Party	\$3,000	62%
Register Cut-Outs	\$100	2%
Seasonal Decorations	\$1,000	21%
In-Store Posters	\$300	6%
Update Website	\$100	2%
Coupons	\$200	4%
Pamphlets	\$150	3%
		\$4,850

IMPLEMENTATION MATERIALS

LOST RIVER BENEFITS

- *HELPS BUILD A STRONG ECONOMY FOR THE COMMUNITY!*
- *FRESH PRODUCE FROM YOUR LOCAL FARMERS!*
- *MEMBER BENEFITS!*
- *REDUCE YOUR SHOPPING HABITS ENVIRONMENTAL FOOTPRINT!*



IMPLEMENTATION MATERIALS

Lost River
MARKET & DELI
HEALTHY • LOCAL • ORGANIC

Daily Deli Recipes

*Love it Here and
Love it at Home!*



TODAY'S RECIPE

"Chicken Cesar Wraps"

Ingredients:

¾ cup reduced-fat creamy Cesar salad dressing
¼ cup grated Parmesan cheese
½ teaspoon garlic powder
¼ teaspoon pepper
3 cups cubed cooked chicken breast
2 cups torn romaine
¾ cup Cesar salad croutons, coarsely chopped
6 whole wheat tortillas



COOKING INSTRUCTIONS

1. In a bowl, combine the romaine, chicken, dressing and Parmesan
2. Stir nicely to combine
3. Roughly chop the croutons
4. Stir them into the filling mixture
5. Microwave the tortilla for 10-15 seconds (so that it is easy to roll)
6. Spread lettuce mixture down the middle of the tortilla
7. Fold in the two sides of the tortilla, then roll up like a burrito
8. Cut in half to serve

Improve your membership today and receive more benefits and rewards!



EVALUATION

Once Lost River begins implementing their new strategies and tactics, they will be able to evaluate the success of their campaign by keeping track of their new data. They can do this by tracking the purchasing patterns of members, looking for an increase in activity in member engagement and if there is more engagement, they can keep track of how much. Another way Lost River can measure the success of this campaign is focusing on whether or not members are using their coupons. This is key for the inactive members who are receiving coupons in the mail. During the membership meetings keep track of member attendance, this will provide good data for meetings later in the year to compare with. Also looking at engagement on social media is another way to measure the success of this campaign. Social media can also measure whether or not people are using the recipe pamphlets and send photos through social media. Finally, basket size growth will also be a good way to measure whether or not Lost Rivers campaign is successful.

RESEARCH

Key Trends in Alcoholic Beverages:

This statistic supports promotion of beers and holding beer tastings at events

"The most important development in the beer industry of the last decade has been the rapid rise of the craft industry. Almost all significant growth in the industry has come from this particular segment." ([Key Trends in Alcoholic Beverages: Powerful changes spaing the wine, beer, spirits and alcohol-free beverages industry, MarketLine Theme Reports, September 2018](#))

Incentives for choosing where to shop

- "A 2007 Nielsen Company study found that 60 percent of consumers stated that a grocery store that provides 'good value for the money' was the most

important factor in deciding where to shop. Only 23 percent of consumers cite proximity to home as the most important factor. (Nielsen)” - ([Rural Grocery Stores: Importance and Challenges, Jon. M Bailey, Rural Research and Analysis Program, October 2010](#)).

Other Rural Grocery Initiatives - Importance and Challenges

([Rural Grocery Stores: Importance and Challenges, Jon. M Bailey, Rural Research and Analysis Program, October 2010](#)).

- Rural grocery stores are disappearing across the nation - this research specifically examines the Midwestern and Great Plains states
 - “In rural Iowa, 43 percent of grocery stores in towns with populations less than 1000 have closed. (Procter)”
 - “In Kansas, 82 grocery stores in communities of fewer than 2,500 people have closed since 2007, and nearly one in five rural grocery stores has gone out of business since 2006. In total, 38 percent of the 213 groceries in Kansas towns of less than 2,500 closed between 2006 and 2009. (Impact Lab)”
- **The Reasons Why:**
 - A certain population is needed to maintain a grocery store.
 - “By 2005, the necessary population (needed to maintain a grocery store) had risen to 3,252. (O’Brien)”
 - These stores are fighting changes in larger purchasing patterns among Americans.
 - “Between 1990 and 2000, the incidence of residents in towns with populations under 2,500 out-commuting (going to work and presumably shopping in other communities) increased by 72 percent.”
 - Competition with large chain grocery stores
 - Lack of community support (listed as one of the most *significant challenges*) - **IMPORTANT IN OUR CASE**

Opportunities for food cooperatives

- Food cooperatives similar to Lost River garner the potential of reaching social and economic goals that could not be otherwise achieved
 - “Individuals in rural communities can achieve economic and social objectives as a group that they could not achieve as sole producers, workers, or consumers.” (Cooperatives and local development: Theory and applications for the 21st century, Merrett, Walzer, pg. 3, 2004.)

This statistic helps up with our messaging “Buy More, Save More.”

- 26% of shoppers would rather make smaller, more frequent trips to the grocery store rather than one big one.

This statistic helps us understand what influences shoppers decisions.

- The biggest purchasing factor for people 35 and under. Environmental factors are mostly concerns for younger shoppers while health was overall the biggest factor for people over 18 years old.

REFERENCES

Bailey, Jon M. "Rural Grocery Stores: importance and Challenges" *Rural Research and Analysis Program* (Oct. 2010)

Cusick, W. J. (2009). *All customers are irrational : understanding what they think, what they feel, and what keeps them coming back*. New York: American Management Association.

Lost River Customer Survey (provided to us)

Lost River Marketing Report, 2018 (provided to us)

Orange County Survey: Informing Our Local Decision Making Process, Hometown Collaboration Initiative (HCI), Purdue Center for Regional Development

Grott, Robert; Singermann, Jesse; Gutknecht, Dave. "Why Co-ops Die: An Exchange" (Feb-Mar. 1987)

Merrett, Christopher D. "Cooperatives and Local Development: Theory and Applications for the 21st Century." 2016, doi:10.4324/9781315290294.