



Retail Market Analysis

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Gridley, California

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TABLE OF CONTENTS

Introduction	1
Demographic Profile	2
A. Population & Household Growth	3
B. Age Distribution	4
C. Household Income Distribution	5
D. Racial Composition	6
E. Community Tapestry Segments	7
Retail Analysis.....	10
A. Existing Retail Sales.....	10
B. Retail Sales Potential and Supportable Space: Local Residents	10
C. Retail Spending Activity	13
D. Highway 99 Market.....	16
E. Visitor Market.....	16
F. Hispanic Market	17
G. Hispanic Entrepreneurship	19
Commercial Business Development Strategy	20
A. Key Business Opportunities	20
B. Competitive Factors for Commercial Development	22
Appendix.....	24
A. Gridley Community Tapestry Descriptions	

Introduction

The purpose of the Retail Market Analysis Findings Report was to

1. Determine the potential for expanding the retail market given the growth Gridley is currently experiencing and its location on Highway 99, and
2. Identify the retail gaps.

This analysis also included a **Survey** to both businesses and residents to validate the findings of the report and learn perceptions and trends of the local consumer.

This Retail Market Analysis is a **tool** for new retail businesses, as well as existing businesses, looking at opportunities for opening, expanding and investing in Gridley to determine their trade and market potential.

Businesses can find analysis of:

- **Tapestry/Lifestyle Characteristics** of the Gridley Market Area, Exhibit G-5.
- **Retail Sales Potential & Supportable Space** — A Retail Leakage/Gap of approximately \$25.5 million existing in different retail sectors such as shoes, jewelry, lawn & garden, clothing and general merchandise; and potential supportable space of nearly 118,000 square feet, Exhibit RD-3 & RD-4.
- **Spending Potential Index** for Selected Goods & Services, Exhibit RD-4.
- **Data** and information on the Hispanic Market and Entrepreneurship.
- **Commercial Business Development Strategy** identifies specific opportunities and strategy methods for attracting commercial development.

This finding report should be utilized as:

1. A tool for new and expanding retail businesses, and
2. A foundation for developing strategic actions for expanding the retail market along Highway 99 and Downtown with the types of businesses that will serve local residents and attract the visitor and transit shopper to Gridley.

“With the rapid growth in new households and the significant retail leakage identified in the gap analysis, Gridley has ample opportunity to expand its retail base.”

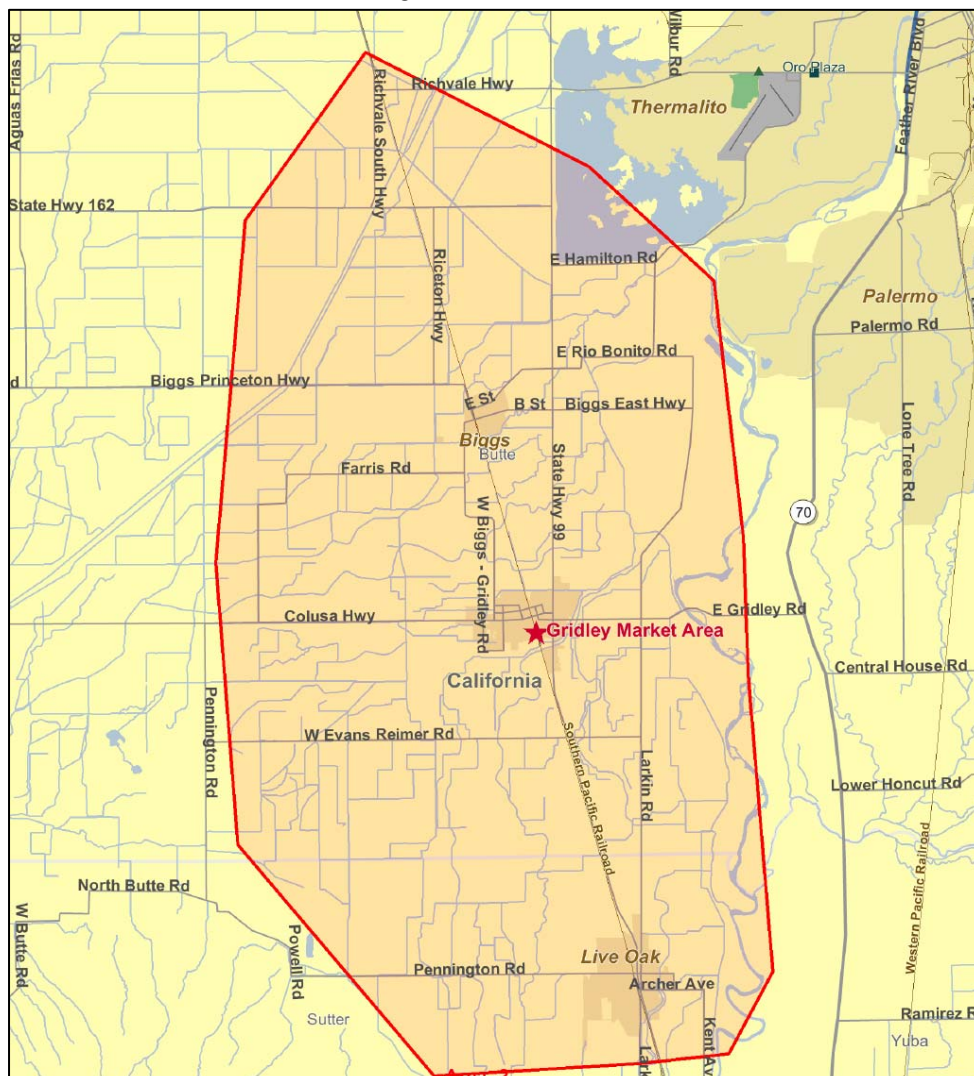
Demographic Profile

The socioeconomic characteristics of the Gridley retail trade area are provided in this section. Gridley's local market represents the area from which most Gridley businesses draw shoppers and where most Gridley area shoppers carry out day-to-day business transactions.

The delineation of the local trade area is not meant to suggest that prospective customers of area businesses will be drawn solely from this geographic area. However, based upon factors such as transportation systems, nearby retail competition, newspaper circulation and other business activity, this market area provides a sound and reasonable basis for gauging retail potential.

A map illustrating the boundaries of the delineated local trade area is provided below. For comparative purposes, demographics are shown for the Gridley trade area below and the State of California. Socio-economic trends are analyzed for the 1990-2012 timeframe.

Gridley Local Trade Area



A. Population & Household Growth

- Since 1990, population throughout the Gridley area has seen moderate growth, similar to that experienced by the State of California (Exhibit G-1).
- The 2007 population of the Gridley market area is estimated at 23,192 increasing at an annual rate of 1.59%, or by 291 persons, per year since 1990. During the 2007-2012 time period, Gridley's population growth is anticipated to accelerate to 3.15% annually, reaching 26,840 by 2012.
- The State of California will experience a slight decrease in its population growth *rate*, falling from an average annual rate of 1.53% (1990 to 2007 levels) to 1.35% during the 2007 to 2012 time frame. Despite the decline, the State of California's population should still reach over 40 million people by 2012.
- In the past few decades, household size declined nationally due to a decrease in fertility rates, increasing divorces and single person households and a rise in the elderly population. Today, it is estimated at 2.59 persons per household. In the Gridley market area, household size falls above the state and national average; Gridley averages 3.06 persons per household while California averages 2.92. These figures are expected to remain relatively steady through 2012.

**Exhibit G-1
Population Growth
Gridley Market Area and State of California - 1990-2012**

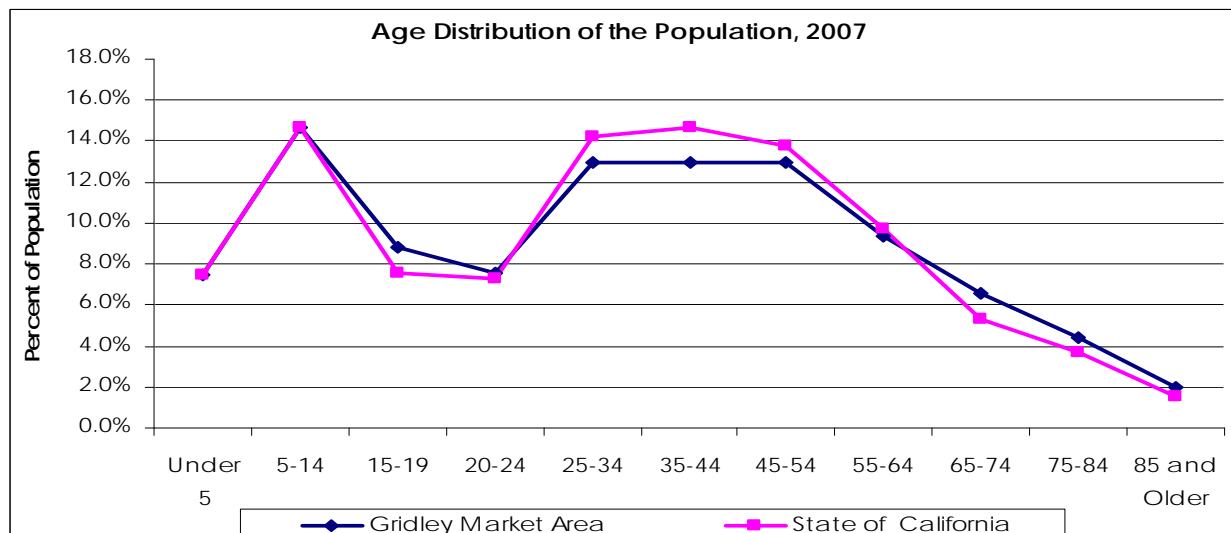
Geographic Areas	1990	Avg. Annual Change 1990-2007			Avg. Annual Change 2007-2012		
		2007 Estimate	Number	Percent	2012 Forecast	Number	Percent
Gridley Market Area							
Population	18,246	23,192	291	1.59%	26,840	730	3.15%
Households	6,212	7,401	70	1.13%	8,550	230	3.10%
Avg. Household Size	2.90	3.06			3.07		
State of California							
Population	29,760,021	37,483,448	454,319	1.53%	40,011,731	505,657	1.35%
Households	10,381,206	12,540,420	127,013	1.22%	13,323,850	156,686	1.25%
Avg. Household Size	2.79	2.92			2.94		

B. Age Distribution

- The age distribution of the population within the Gridley area is quite similar to the State of California as a whole. The 2007 median age within the market area is estimated at 33.6 years (Exhibit G-2). Statewide median age is just higher, at 34.2 years.
- Estimated proportion of the population over the age of 65 in 2007 is 13.0% for the trade area and 10.5% statewide. Gridley accounts for this difference in youth; 31.0% of population age 19 and under, compared to 29.8% statewide. California edges Gridley in most middle-aged categories.
- Prime consumer age categories, age 25-54 make up approximately 39.0% of all the market area populations. Statewide the proportion of the population within this age group was 42.7%.

**Exhibit G-2
Household Income
Gridley Market Area and State of California – 2007**

Age Category	Gridley Market Area	State of California
Under 5	7.5%	7.5%
5-14	14.7%	14.7%
15-19	8.8%	7.6%
20-24	7.6%	7.3%
25-34	13.0%	14.2%
35-44	13.0%	14.7%
45-54	13.0%	13.8%
55-64	9.4%	9.7%
65-74	6.6%	5.3%
75-84	4.4%	3.7%
85 and older	2.0%	1.5%
Total	23,192	37,483,448
Median Age	33.6	34.2

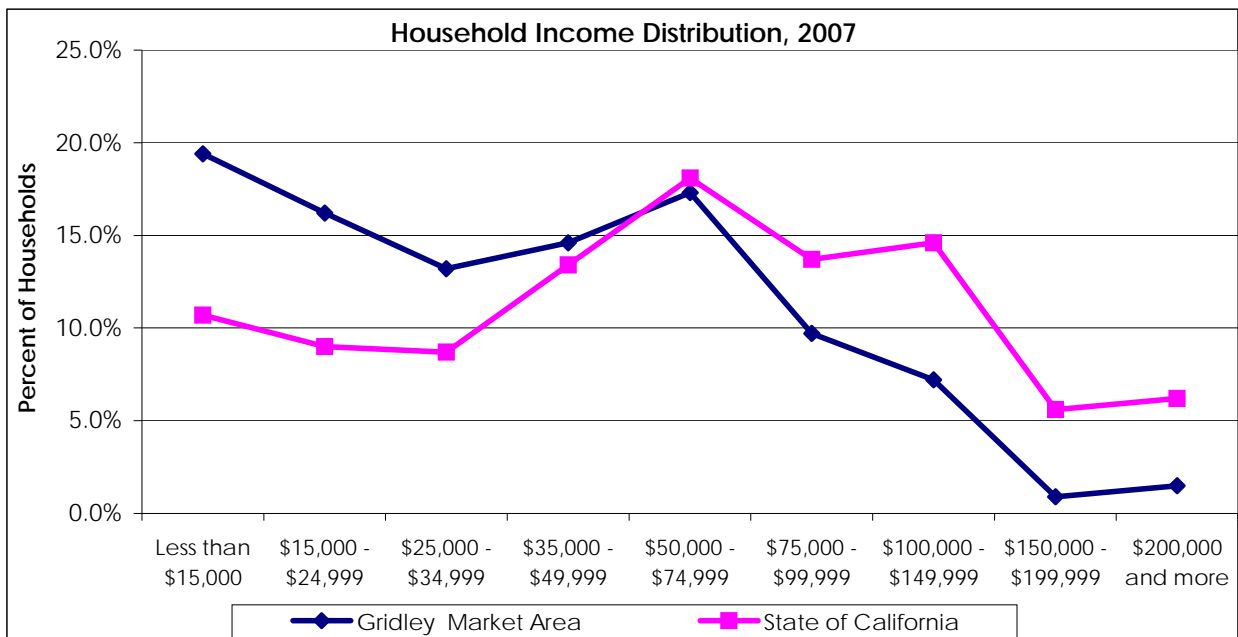


C. Household Income Distribution

- Exhibit G-3 shows that on the whole Gridley area households are significantly less affluent than households statewide. Within the Gridley area, estimated 2007 median household income is \$36,154, compared to \$60,268 for the state as a whole. However, with the anticipated influx of middle income households, income figures will no doubt rise. Estimating increases in household incomes is a complex task and is beyond the scope of this assignment.
- Despite well below average median incomes presently within Gridley, there are clearly “pockets” of wealth, with 9.6% of households earning in excess of \$100,000 a year. While a sizable number of households fall into this bracket, over twice as many (19.4%) make less than \$15,000 dollars a year.

**Exhibit G-3
Household Income
Gridley Market Area and State of California – 2007**

Income	Gridley Market Area	State of California
Less than \$15,000	19.4%	10.7%
\$15,000 to \$24,999	16.2%	9.0%
\$25,000 to \$34,999	13.2%	8.7%
\$35,000 to \$40,999	14.6%	13.4%
\$50,000 to \$74,999	17.3%	18.1%
\$75,000 to \$99,999	9.7%	13.7%
\$100,000 to \$149,999	7.2%	14.6%
\$150,000 to \$199,999	0.9%	5.6%
\$200,000 and more	1.5%	6.2%
Median Household Income	\$36,154	\$60,268

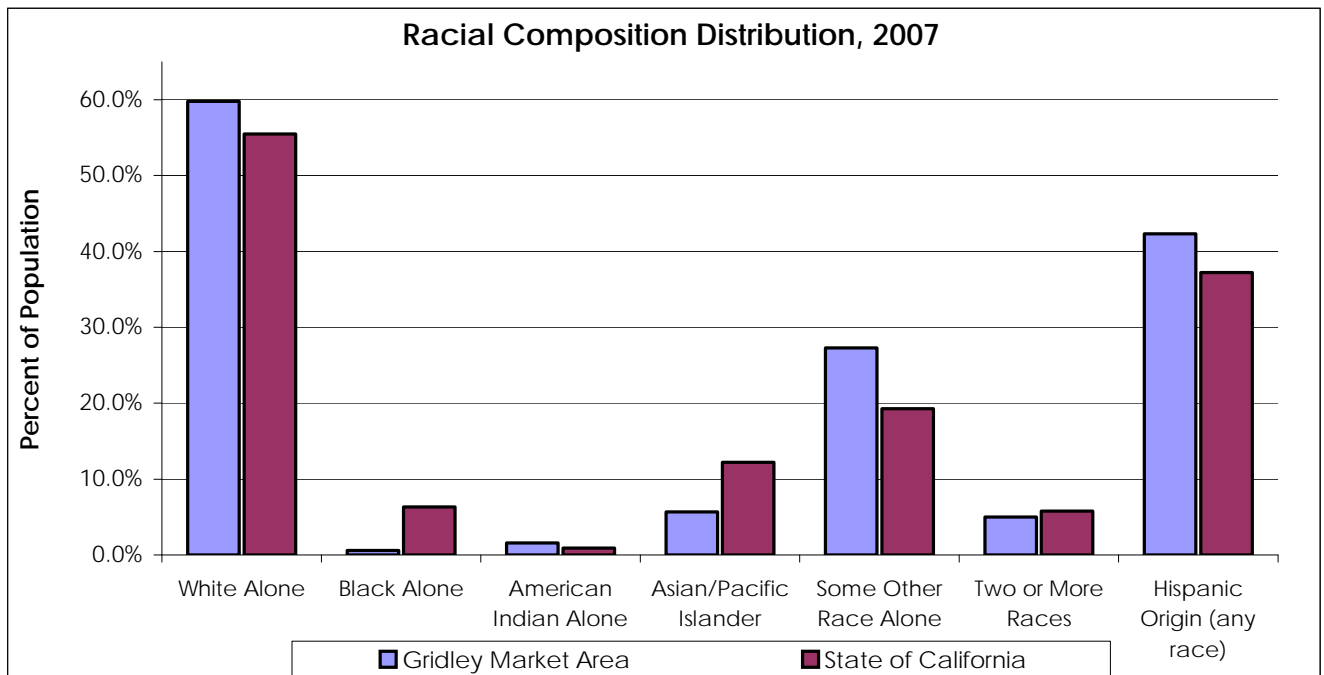


D. Racial Composition

- The 2007 racial distribution of Gridley is dominated by Whites (59.8%) and Hispanics (42.3%), much like the State, (55.5%) and (37.2%) respectively.

**Exhibit G-4
Racial Composition
Gridley Market Area and State of California – 2007**

Race	Gridley Market Area	State of California
White Alone	59.8%	55.5%
Black Alone	0.6%	6.3%
American Indian Alone	1.6%	0.9%
Asian / Pacific Islander	5.7%	12.2%
Some Other Races Alone	27.3%	19.3%
Two or More Races	5.0%	5.8%
Total	23,192	37,483,448
Hispanic Origin (any race)	42.3%	37.2%



E. Community Tapestry Segments

Recognizing that people who share the same demographic characteristics may have widely divergent desires and preferences, Community Tapestry data (developed by ESRI Business Information Solutions) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are geographically defined by census blocks, which are analyzed and sorted by a variety of demographic and socioeconomic characteristics as well as other determinants of consumer behavior. Based on this information, neighborhoods are classified as one of 65 market segments.

Community Tapestry descriptions help bring to life socioeconomic variables by sharing information regarding the consumer spending habits, household types, hobbies and preferences of local market segments. Existing and prospective businesses can gain valuable insights to the needs and interests of the local shopper base.

Gridley households have been grouped into Community Tapestry market segments, which reveal a great deal of similarity, with Industrious Urban Fringe (57.7%) and Prairie Living (20.9%) encompassing the majority of households. Rural Resort Dwellers, Heartland Communities and Green Acres make up an additional 14.4%. Exhibit G-5 that follows summarizes the key characteristics of the seven tapestry groups representing the Gridley market area. More detail is provided on each segment in Appendix A.

Exhibit G-5
Tapestry / Lifestyle Characteristics
Households by Primary Market Segment
Gridley Market Area – 2007

	Market Segment	Percent of Households	Household Type	Median Age	Median Income	Consumer Purchases / Preferences
1	Industrious Urban Fringe	57.7%	Married Couples	28.6	\$40,200	Baby / children's items, pets, movies, Hispanic Products
2	Prairie Living	20.9%	Married Couples	40.5	\$41,000	Working clothes, pets, home improvement, bargain shopping
3	Rural Resort Dwellers	5.1%	Married Couples	46.0	\$45,600	Home improvement projects/gardening, pets, multiple vehicles
4	Heartland Communities	4.8%	Married Couples/Singles	41.3	\$33,100	Home improvement, bargain shopping, order from catalogs and QVC
5	Green Acres	4.5%	Married Couples	39.9	\$62,300	Pets, do-it-yourself projects, power tools, outdoor activities
6	Main Street, USA	3.7%	Family Mix	36.3	\$51,200	Family restaurants and bars, family activities, domestic vacations
7	Las Casas	3.3%	Married / Single w/ children	25.4	\$35,400	Baby / children's items, movies, Hispanic Products, groceries
	Total	100.0%				

Source: ESRI, Marketek

Industrious Urban Fringe, 57.7% households

Industrious Urban Fringe neighborhoods are found on the fringe of metropolitan cities. Approximately half of these households are located in the West; 40 percent are in the South. Most employed residents work in the manufacturing, construction, retail trade, and service industries. Family is central, and children are present in more than half of the households. Many live in multigenerational households. The median age is 28.5 years; the median household income is \$40,200. Two-thirds of the households own their single-family dwellings, with a median value of \$131,400. Necessities for babies and children are among their primary purchases along with toys and video games. Big movie fans, residents visit the cinema several times a month and watch movies at home frequently. They prefer to watch syndicated TV and listen to Hispanic radio.

Prairie Living, 20.9% households

Agriculture plays an important part of the *Prairie Living* economy; small, family-owned farms dominate this stable market located mainly in the Midwest. Two-thirds of the households are married-couple families; the median age is 40.5 years. Homeownership is at 81 percent; the median home value is \$96,300. Although single-family dwellings are characteristic of these communities, 11 percent of the households live in mobile homes. Approximately 36 percent of the housing units were built before 1940. These residents are big country music fans and enjoy hunting, fishing, target shooting, and horseback riding. They work on their vegetable gardens, vehicles, and home projects. Many are members of church boards or civic clubs and get involved in civic issues. Because cable TV can be unavailable in these rural areas, many households have a satellite dish. Families with pet cats or dogs are common.

Rural Resort Dwellers, 5.1% households

Favoring milder climates and pastoral settings, *Rural Resort Dwellers* residents live in rural, nonfarm areas. These small, growing communities mainly consist of single-family and mobile homes, with a significant inventory of seasonal housing. This somewhat older market has a median age of 46.0 years. Most households consist of married couples with no children living at home or singles who live alone. A higher-than-average proportion of residents are self employed and work from home. The median household income is \$45,600. Modest living and simple consumer tastes describe this market. Because of the rural setting, residents have riding lawn mowers and satellite dishes. Lawn maintenance and gardening is a priority, and households own a plethora of tools and equipment. Many households own or lease a truck. Residents enjoy boating, hunting, fishing, snorkeling, canoeing, and listening to country music.

Heartland Communities, 4.8% households

Heartland Communities neighborhoods are preferred by approximately six million people. These neighborhoods can be found primarily in small towns in the Midwest and South. More than 75 percent of the households are single-family dwellings with a median home value of \$74,400. Most homes are older, built before 1960. The median age is 41.3 years; nearly one-third of the

householders are aged 65 years or older. The distinctly country lifestyle of these residents is reflected in their interest in hunting, fishing, woodworking, playing bingo, and listening to country music. In addition to working on home improvement projects, they are avid gardeners and read gardening magazines. They participate in civic activities and take an interest in local politics. Residents order items from catalogs, QVC, and Avon sales representatives.

Green Acres, 4.5% households

A "little bit country," *Green Acres* residents live in pastoral settings of developing suburban fringe areas, mainly in the Midwest and South. The median age is 39.9 years. Married couples with and without children comprise most of the households and live in single-family dwellings. This upscale market has a median household income of \$62,300 and a median home value of \$179,700. These do-it-yourselfers maintain and remodel their homes—paint, install carpet, or add a deck—and own all the necessary tools to accomplish these tasks. They also take care of their lawn and gardens, again, with the right tools. Vehicles of choice are motorcycles and full-sized pickup trucks. For exercise, residents ride their bikes and go water skiing, canoeing, and kayaking. Other activities include bird-watching, power boating, target shooting, hunting, and attending auto races.

Main Street USA, 3.7% households

Main Street, USA neighborhoods are a mix of single-family homes and multiunit dwellings found in the suburbs of smaller metropolitan cities, mainly in the Northeast, West, and Midwest. This market is similar to the United States when comparing household type, age, race, educational attainment, housing type, occupation, industry, and household income type distributions. The median age of 36.3 years matches that of the U.S. median. The median household income is a comfortable \$51,200. Homeownership is at 66 percent, and the median home value is \$190,200. Active members of the community, residents participate in local civic issues and work as volunteers. They take care of their lawns and gardens, and work on small home projects. They enjoy going to the beach and visiting theme parks as well as playing chess, going bowling or ice skating, and participating in aerobic exercise.

Las Casas, 3.3% households

Las Casas residents are the latest wave of western pioneers. Settled primarily in California, approximately half were born outside the United States. Young, Hispanic families dominate these households; 63 percent include children. This market has the highest average household size (4.27) among all the Community Tapestry segments. The median age is 25.4 years, and the median household income is \$35,400. Most households are occupied by renters, although homeownership is at 42 percent. The median home value is \$278,400. Housing is a mix of older apartment buildings, single-family homes, and townhomes. This is a strong market for the purchase of baby and children's products. Residents enjoy listening to Hispanic radio, reading adventure stories, and playing soccer. Many treat their children to a family outing at a theme park, especially Disneyland. When taking a trip, Mexico is a popular destination.

Retail Analysis

The purpose of a retail market analysis for Gridley is to identify business opportunities in the local market area and then to promote those opportunities to existing and prospective businesses to enhance the area's business base. Quality information and analysis can help existing and prospective entrepreneurs prepare better business plans, thereby reducing the risk of business failure. This section provides estimates of potential market demand for retail uses in the local Gridley trade area.

A. Existing Retail Sales

Retail sales increased by a total of 53% in the City of Gridley during the 1999-2006 timeframe, growing from \$67.5 million in 1999 to \$103.4 million in 2006. Exhibit RD-1 provides a snapshot of the annual retail sales and year-to-year increase during that time period (RD = retail demand).

RD-1
Retail Sales
City of Gridley, CA 1999-2006

Year	Taxable Retail Sales	Percentage Increase
1999	\$67,503,291	
2000	\$76,486,754	13.31%
2001	\$79,210,089	3.56%
2002	\$80,276,794	1.35%
2003	\$86,523,431	7.78%
2004	\$87,947,041	1.65%
2005	\$99,656,908	13.31%
2006	\$103,418,902	3.77%

Source: City of Gridley

B. Retail Sales Potential and Supportable Space: Local Residents

This section estimates market support for retail space in the local trade area. The methodology utilizes expenditure potential¹ by type of merchandise to trade area population figures in order to obtain potential sales volume for trade area residents. Potential sales are divided among several merchandise and service categories: *shopper's goods*, *convenience goods*, *restaurants*, *entertainment and personal services*. Exhibit R2-1 specifies the types of goods and services within several of these categories. For instance, "apparel" (part of shoppers goods) includes women's apparel, men's apparel, children's apparel, footwear, watches and jewelry.

¹ Consumer spending is estimated from the Bureau of Labor Statistics' Consumer Expenditure (CEX) Surveys. The CEX surveys have been used for over a century to provide data to study consumer spending and its effect on gross domestic product.

Exhibit RD-2
Summary of Merchandise and Service Categories

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches & Jewelry
Home Furnishings	Furniture, Floor Coverings, Major & Small Appliances, Household Textiles, Floor Coverings, PC Software & Hardware, Housewares, Dinnerware, Telephone
Home Improvement	Maintenance and Remodeling Materials, Lawn & Garden
Miscellaneous Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Video Cassettes & Games, TV/VCR/Cameras, Audio Equipment, Luggage, Eyeglasses
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Restaurants	Food Away from Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theater/Opera/Ballet, Recreational Lessons, Participation in Clubs
Personal Services	Shoe Repair, Video Rental, Laundry & Dry Cleaning, Alterations, Clothing Rental & Storage, Watch & Jewelry Repair, Photo Processing & Supplies, Childcare

Source: ESRI, Marketek

The **retail market gap displayed in Exhibit RD-3** weighs estimated potential sales or retail demand against estimated existing retail sales to determine the leakage or surplus factor for the Gridley Market Area. Demand or potential retail sales is estimated based on household expenditure data generated by the Bureau of Labor Statistics Consumer Expenditure Survey and is customized for Gridley's trade area households. Sales data is derived from the Census of Retail Trade, U.S. Census Bureau and updated with a variety of ESRI BIS demographic and business data bases. The comparison of supply and demand provides a sound and reasonable assessment of the current Gridley market place.

Exhibit RD-3 only depicts those categories of retail for which there is a leakage or gap. The leakage indicates that retail demand exceeds supply within the market. Total leakage based upon 2007 expenditures and estimated business sales was \$25.5 million. The leakage factor ranges from 3 to 100 with 100 representing total leakage. Keep in mind these figures do not include potential spending from visitors or passers through on Highway 99, for example. Also keep in mind that due to retail competition throughout the area, Gridley trade area residents will always take a portion of their shopping dollars out of town. This is less true for convenience goods, such as grocery and drugstore items that are most often purchased close to home. However, some retail sectors for which consumers are making major purchases such as Motor Vehicles may draw from a larger market area and have significantly higher sales potential than presented in RD-3. These nuances could be identified by a comprehensive market analysis which is beyond the scope of this assignment.

**Exhibit RD-3
Gridley Market Area Retail Leakage / Gap Analysis, 2007**

Retail Industry Sector	Leakage / Gap	Leakage Factor
Furniture & Home Furnishings	\$1,274,400	19
Specialty Food Stores	\$507,652	32
Beer, Wine & Liquor Stores	\$60,126	5
Clothing Stores	\$4,538,347	77
Shoe Stores	\$986,126	100
Jewelry, Luggage & Leather Goods	\$495,735	100
Sporting Goods and Hobby Stores	\$325,514	16
Book, Magazine & Music Stores	\$706,379	42
Department Stores	\$12,955,874	96
Florists	\$67,395	29
Other Miscellaneous Retailers	\$911,198	39
Full Service Restaurants	\$2,180,801	11
Special Food Services	\$444,125	27
Total	\$25,453,672	

Source ESRI BIS, Marketek, 2007

Estimates of sales per square foot of store space derived from the Urban Land Institute's *Dollars and Cents of Shopping Centers* are used to convert retail sales leakage (\$) to supportable space estimates. In Exhibit RD-4, for example, in the case of apparel (clothing stores, shoe stores and jewelry, luggage & leather goods), the sales gap of \$6.0 million in the local trade area at sales per square foot of \$209/year will support 28,800 square feet devoted to this type of merchandise. However, the general merchandise/department store category also includes some retail expenditures and so additional apparel space may be supported from that category as well.

Exhibit RD-4 shows that in 2007 based upon Gridley trade area household expenditures, there is the potential for approximately 118,000 square feet of retail space in addition to retail space currently in existence within the trade area. Retail space demand will continue to increase steadily with Gridley's anticipated population and household income growth. As noted, these potential expenditures by residents may occur outside of the local or greater trade areas, if desirable goods and services are not available locally.

**Exhibit RD-4
Gridley Market Area Retail Potential (Sq. Ft.), 2007**

Retail Industry Sector	Leakage/Gap	Target Sales/Sq. Ft	Potential Supportable Space (Sq. Ft.)
Furniture & Home Furnishings	\$1,274,400	\$199	6,404
Specialty Food Stores	\$507,652	\$390	1,302
Beer, Wine & Liquor Stores	\$60,126	\$390	154
Clothing Stores	\$4,538,347	\$209	21,715
Shoe Stores	\$986,126	\$209	4,718
Jewelry, Luggage & Leather Goods	\$495,735	\$209	2,372
Sporting Goods and Hobby Stores	\$325,514	\$216	1,507
Book, Magazine & Music Stores	\$706,379	\$216	3,270
Department Stores	\$12,955,874	\$209	61,990
Florists	\$67,395	\$216	312
Other Miscellaneous Retailers	\$911,198	\$216	4,219
Full Service Restaurants	\$2,180,801	\$263	8,292
Special Food Services	\$444,125	\$263	1,689
Total	\$25,453,672		117,943

Note: Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

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C. Retail Spending Activity

The Spending Potential Index (SPI) is a measure of market activity developed by ESRI Business Information Solutions and correlates to actual dollars *spent* on certain goods and services by residents within a given market area. This information adds another dimension to the retail potential and lifestyle analyses and is helpful in identifying an appropriate business and merchandise mix for Gridley shopping centers.

When the SPI is equal to 100 for a specific type of merchandise, consumers are spending at a rate equal to the national average. An SPI greater than 100 indicates that consumers are buying or spending above the national average. In other words, the SPI is an indicator of what prices consumers will pay and/or the level of discretionary income they are willing to devote to a particular good or service. Exhibit RD-5 shows the SPI of Gridley local trade area households for various types of goods and services. These figures are derived in part through the U.S. Department of Commerce Consumer Expenditure Survey.

The data presented in Exhibit RD-5 indicates that Gridley trade area residents spend at a rate considerably below the national average, which is consistent with their lower household incomes. It is important to

note that while spending is below the national average for all of the types of goods and services listed, trade area consumers may still demand these goods and services; on the whole, however, they tend to pay less for them. One conclusion that may be drawn from this information is that Gridley area shoppers would likely favor discount retailers over others if they had a choice.

Exhibit RD-5
Spending Potential Index of Selected Goods & Services
Gridley Local Market Area, 2007

Merchandise / Services Category	Spending Potential Index Trade Area	Merchandise / Services Category	Spending Potential Index Trade Area
Apparel	61	Financial Services	
Men's	63	Investments	52
Women's	57	Auto Loans	76
Children's	69	Health	
Footwear	55	Nonprescription Drugs	72
Watches & Jewelry	65	Prescription Drugs	72
Other Apparel	71	Eyeglasses & Contact Lenses	69
Computer		Home	
Computer/Hardware for Home	68	Home Improvement	
Software/Accessories for Home	69	Maintenance/Remodeling Svcs.	65
Entertainment & Recreation	69	Maintenance/Remodeling Supp.	76
Entertainment Fees & Admissions		Household Furnishings	
Membership Fees	62	Household Textiles	
Sports Participation	60	Furniture	68
Theater/Movie/Ballet/Opera	64	Floor Coverings	67
Sporting Events	64	Major Appliances	64
Recreational Lessons	60	Housewares	74
Television & Sound Equipment	61	Small Appliances	67
Cable Televisions	68	Luggage	70
Color Television	67	Telephone & Accessories	61
VCR/Video Camera/DVD Player	68	Childcare	60
Video Cassettes & DVDs	70	Lawn & Garden	64
Video Game Hardware/Software	72	Moving/Storage	72
Satellite Dishes	68	Housekeeping Supplies	74
Video/DVD Rental	81	Insurance	71
Audio Equipment	72	Homeowners/Renters	
Rental & Repair of TV/Sound	68	Vehicle	71
Pets & Supplies	65	Life	71
Toys & Games	73	Health	67
Recreational Vehicles & Fees	69	Personal Care products	71
Sports/Exercise Equip & Supplies	76	Schools Books & Supplies	71
Photo Equipment & Supplies	71	Smoking Products	67
Books/Magazines/Subscriptions	67	Transportation	70
Food & Beverages	64	Vehicle Purchases	
Groceries	71	Gas & Oil	77
Bakery & Cereal Products	72	Vehicle Maintenance & Repair	73
Meats, Poultry, Fish & Eggs	71	Travel	
Dairy Products	73	Air Fare	
Fruit & Vegetables	73	Hotels/Motels	65
Other Foods at Home	72	Rental Cars	64
Meals at Restaurants	72	Food/Drink	64
Alcoholic Beverages	68		66
Nonalcoholic Beverages at Home	64		
	74		

Source: ESRI BIS

D. Highway 99 Market

Highway 99 traffic offers considerable exposure to Gridley commercial businesses and the opportunity to attract significant shopping and spending. Average daily traffic on Highway 99 through Gridley is approximately 22,000 vehicles. Shopping behavior and spending potential of highway travelers are dependent on trips generated by local residents and by pass through traffic, by commuter patterns, nearby visitor attractions and other factors such as ease of access, attractiveness of the commercial area and business mix.

However, it should be a goal of any highway community to draw at least 10% of the pass through travelers out of their cars and into businesses. As a broad illustration, if half of Gridley's daily highway traffic is 'pass through' (11,000) and just 10% are enticed to stop for food and convenience goods and services and spend conservatively \$15 per vehicle, the daily economic spending could be \$16,500 or \$6 million over a year's time. The most common expenditures of highway travelers are gas, coffee/food to go and quick sit-down eateries, groceries, drugstore items and other convenience-oriented goods. The more information that Gridley's civic and business leaders can gather on Highway 99 travelers, the better able they will be to attract and appeal to these potential shoppers.

E. Visitor Market

Gridley has a number of attractions in town and nearby to entice the visitor market, including the historic downtown, Pacific Flyway, California's newest designated State Park - the Sutter Buttes, and special events such as the Butte County Fair.

The California Travel and Tourism Commission utilizes data provided by Dean Runyan & Associates to estimate annual visitor spending by county. Butte County's visitor spending has grown rapidly over the last decade from \$146.4 million in 1994 to \$231.7 million in 2005, increasing 5.3% on an average annual basis. As of 2005, tourism-related employment across the county was estimated at 3,660 employees.

The distribution of visitor spending by commodities purchased in the state as a whole was estimated as follows in 2005:

- 23% Eating out
- 19% Retail spending
- 17% Accommodations
- 14% Arts, entertainment, recreation

Gridley will be better able to attract the attention of visitors and encourage visitor spending if they present an attractive and inviting image, easy access and parking and offer goods and services that visitors most often desire. Gridley must ask itself, What is the unique experience that we can offer the visitor market? It may be history, special events, small town ambiance or other important draws. Being clear on the local attractors, providing directional and wayfinding signage to guide the visitor to destinations, and offering a positive, customer-friendly experience are key. While it may not always be promoted as one of the

leading visitor attractions of a community, the diversity of shopping and dining experiences is a key ingredient for most destinations.

Shopping is integral to the travel and leisure experience. What visitors want includes:

- Unique, one of a kind goods such as arts, crafts, gifts, galleries
- Antiques/reproductions/gifts
- Convenience goods—gas, grocery, etc
- Recreational/sporting goods and services
- Apparel & accessories—unique
- Restaurants and unique eating places
- *Variety* of cuisine and prices

F. Hispanic Market

With the local Hispanic population comprising 40% of the total, it is important to take note of this market's special needs and interests. National statistics on the Hispanic market segment are presented in this section, but it would greatly benefit Gridley business and community leaders to conduct one or more focus groups of local Hispanics to better grasp what gaps may exist in the marketplace and what niches need to be filled. In addition, a focus group of Hispanic business owners should be conducted to identify business expansion opportunities, marketing strategies and their needs for technical assistance.

American Demographics Magazine and their research affiliates observe the following about Hispanic consumers:

The Hispanic market accounted for \$700 billion in consumer spending last year, which represents nearly 9 percent of the total U.S. disposable personal income (valued at \$8.02 trillion), according to the Department of Commerce, Bureau of Economic Analysis.

“Unlike the U.S. as a whole, Gen Yers (age 5-24) are the largest Hispanic group, making up 38% of the Hispanic market. For the balance of the U.S., middle age baby boomers are the largest segment. Hispanic household income averages about \$9,000 less than the average U.S. household at \$42,000. However, the majority of Hispanic households are Middle Class.”

As the number of U.S. Hispanic immigrants continues to grow, so will this cohort's consumption levels. Already, with Hispanic Americans' disposable income growing in 2003 at a compounded annual growth rate (CAGR) of 7.5 percent, it is outpacing the overall U.S. disposable income, which only grew 2.8 percent CAGR last year. By 2010, the consumer spending among the U.S. Hispanic population is expected to reach \$1 trillion, according to Chain Store Guide, a market research company for the retail and foodservice industries.

Chain Store Guide is about to release a yearlong study of the Hispanic market. One of the preliminary conclusions is that it is not enough to identify members of this cohort merely as Hispanics. They do not behave as one monolithic group. Instead, sub-ethnic categories are forming, based largely on country of origin. *"They're looking for quality goods, good prices and products that come from their country of origin. Brands that come from different countries of origin are completely different and [Hispanics] want those brands that make them feel closer to home."* The survey concludes that 60 percent of foreign-born Hispanics tend to be focused on nutrition and food ingredients, while U.S.-born Hispanics are more worried about lifestyle factors such as smoking and stress. In general, Hispanic lifestyle characteristics are dominated by young Baby Boomers with Children, making up 25% of the total. This population segment is characterized as:

- Young, with a median age of 31.2 years
- Above average median income
- Enjoy home projects, hunting, camping, fishing
- Rent videos, use PCs, visit museums/zoos/theme parks
- Own pets, campers, multiple vehicles

It is important to note that overall Hispanic shoppers spend between *50 and 100% more* of their budget (than the average American) on the following items:

- Apparel, children <2
- Rental housing
- Footwear
- Pork & beef
- Fresh fruits & vegetables
- Laundry & cleaning Supplies
- Apparel, girls, age 2-15

Hispanic shoppers spend between 15 and 49% more of their budget (than the average American) on the following items:

- Variety of food products
- Furniture
- Apparel, boys, age 2-15
- Apparel & services
- Household products
- Bakery products

Advertisers have identified Hispanic youth as the marketer's challenge. By end of decade, 1 in 5 American youth will be Hispanic. According to the Association of Hispanic Advertising Agencies, "*One of the biggest misperceptions about Hispanic teens is that they will be completely assimilated into American culture. For young Latinos, their bilingualism is a huge part of their individuality.*"

G. Hispanic Entrepreneurship

A study of Latino Entrepreneur Services completed in 2003 by Jimenez Associates identified the following common issues and themes affecting Hispanic/Latino entrepreneurs:

1. There is poor awareness of small business development services
2. Access is limited to Spanish language services housed within English-speaking organizations
3. Language is a barrier in handling permitting, licensing and regulatory processes
4. Distrust is a major issue among immigrant Latino entrepreneurs

The study also identified Best Practices from selected communities throughout the U.S. that are working to better serve Latino entrepreneurs. Gridley leaders can take note of these in reaching out to its Hispanic business community.

1. Partnering to provide broader services with limited resources is important.
2. Fully bilingual and bicultural staff is key to success in small business support centers.
3. Micro-lending and financial training is very important.
4. Focus on building locally controlled wealth from within the community.
5. Resource sharing with housing organizations and the Small Business Development Center has been successful.
6. English as a Second Language classes are vitally important.
7. One on one business assistance to entrepreneurs is the best forum for success.

Commercial Business Development Strategy

By virtue of its location and the size of its trade area, Gridley will not be able to compete with major malls to provide a large variety of retail goods, long shopping hours, and a consistent image of low-cost retail items. However, the local customer will respond favorably when he or she feels that they are receiving good value for money spent, have a convenient, friendly and safe place to spend time, and consider Gridley's downtown or Highway 99 commercial areas an interesting and attractive place to be. These are important values and realistic goals for Gridley.

Downtown Gridley and the community as a whole have the capability to serve local residents, area workers, highway travelers and visitors with a wide range of goods and services. The keys for the community as a whole are to:

- Offer unique, quality merchandise
- Target high dollar volumes per square foot for a business to succeed. i.e., smaller spaces, in-depth merchandise and high turnover inventory.
- Focus on the 'middle market' with moderately priced goods that offer high value
- Work with Gridley's business community to provide complementary product lines

A. Key Business Opportunities

The Gridley area's retail mix should reflect the needs and interests of residents, visitors and area employees and be supported by available retail demand in the trade area. Based upon the results of the Gridley Residents' Needs Survey, the retail leakage analysis, and insights from tapestry descriptions, Exhibit RD-5 summarizes the top target business and merchandise opportunities for the Gridley area. Keep in mind that often in rural areas such as Gridley, a single business will provide several complementary retail goods and services.

Retail 'stacking' is a key success strategy as well reflecting the reality that a full service store may not be supported with trade area population but filling needed gaps with smaller amounts of merchandise will succeed. In small communities, it is common for one store to fill multiple niches. For example, a hardware store may include a large gift and sporting goods section. A drugstore may include a photo

The two primary goals for enhancing downtown Gridley's business mix should be to:

- 1. Retain, strengthen and expand the existing business base.**
 - 2. Recruit or incubate businesses that will complement and improve the existing downtown commercial mix and will enhance downtown's attractiveness to its target markets.**
-

department, a pack and mail center and gifts. A coffee shop may have books, cards and gifts. A liquor store may co-exist in a sporting goods store, etc. The idea is that a variety of goods and services that are complementary are ‘stacked’ within one store.

A Gridley shopper survey was conducted in spring 2005 to help identify voids in the retail market place and issues and opportunities for local merchants to be mindful of. The results appear in Appendix B. **Goods and services for which 35% or more of local shoppers expressed an interest from the shopper survey include:**

- | | |
|---|---|
| —Fabric and Sewing | —Arts and Crafts |
| —Gifts/Cards | —Pet Supplies |
| —Sporting Goods | —Books |
| —Appliances, Linens and Towels, Garden Supplies | —Casual Apparel, Shoes, Children/Infants Clothing |
| —Bakery/Grocery | —Building Supplies |
| —Hardware | —Pharmacy |
| —Restaurants: buffet, family sit-down, ethnic | |

With the rapid growth in new households and the significant retail leakage identified in the gap analysis, Gridley has ample opportunity to expand its retail base. The first emphasis should be on convenience goods and services followed by a range of home furnishings and other family-oriented merchandise. A summary of key targets follows:

**Exhibit RD-6
Target Business Opportunities for Gridley Market Area**

Merchandise	Dollar/discount store Fabric/arts & crafts, hobby Home furnishings Home accessories: appliances, bed/bath <i>Quality</i> consignment Music/CD: new & used Lawn/garden Apparel: casual wear Children's wear Shoes
Services	Dry cleaner Shoe repair Exercise studio/gym Day care
Convenience Goods	Hardware items/Sporting goods/ Bait & Tackle Building supplies Specialty grocery—fresh produce, meats, deli, take-out
Restaurants/Food	Bakery/coffee shop Yogurt/ice cream Soup/sandwiches Fish/Chicken & chips Ethnic: Chinese Cafeteria/buffet
Entertainment/ Recreation/ Community Needs	Activity center or club for youth/teens: movies, games, hang-out place

B. Competitive Factors for Commercial Development

Quality business prospects are eager to locate in quality business environments. Amenities to draw both customers and business prospects to downtown Gridley or neighborhood/strip shopping centers are listed below. These are particularly critical for older commercial districts seeking to compete with new shopping malls, lifestyle centers and big box retailers.

Gridley leaders can rate each shopping area (Highway 99, downtown, etc.) using the key below and then, establish priorities for action.

Key for Rating

S = Strength / W= Weaknessk / N = Neutral

Access & Linkages

- Good visibility
- Walk-ability-pedestrian friendly
- Transportation/transit access
- Good signage
- Parking availability

Uses & Activities

- Overall active use—‘street life’ daytime and evening
- Destination attraction(s) in close proximity
- Mix of stores/services—active business clusters
- Frequency of events (few or no vacancies)
- Local entrepreneurship
- Quality goods and services
- Good/higher real estate values

Image (clean, safe, green, attractive, places to sit, ambiance)

- Welcoming physical appearance—friendly, green, attractive streetscape
- Safe
- Clean, well maintained
- Benches, garbage cans, bike racks
- Unique atmosphere
- Sense of pride and ownership

Factors Affecting Retail Location

- Compatible land use patterns
- Quality ‘built environment’
- Property values (realistic)
- Rent levels (realistic)
- Organized promotions
- Good management of shopping center or downtown
- Business compatibility

Appendix

Appendix A. Gridley Community Tapestry Descriptions

Industrious Urban Fringe, 57.7% of Gridley Market Area Households

Demographic: Family is central to *Industrious Urban Fringe* neighborhoods. Slightly more than half of these households have children. Married-couple families (54 percent of households) and single-parent families (17 percent) comprise most of these households. Multigenerational households are relatively common. The comparatively low median age of 28.5 years reflects the high proportion of children. Fifty-seven percent of these residents are Hispanic. More than one-fourth of the residents are foreign born, bringing rich, diverse cultures to these urban outskirts neighborhoods.

Socioeconomic: The median household income is \$40,200; the median net worth is \$60,900. The large average household size of 3.42 lowers the amount of discretionary income compared to segments with similar income. Settled on the fringe of metropolitan cities, these households take advantage of the proximity to metropolitan cities to pursue employment opportunities. These residents rely mainly on work in the manufacturing, construction, retail trade, and service industry sectors for their livelihood. Educational attainment levels are lower than U.S. levels, and the unemployment rate is higher.

Residential: Approximately half of the *Industrious Urban Fringe* households are located in the West; 40 percent are in the South. States with the highest household concentrations are California, Texas, and Florida. Homeownership is at 67 percent, and the median home value is \$131,400. Single-family dwellings are the dominant household structure in these neighborhoods. Living farther out from urban centers allows many to find the space for an affordable home and to raise their families.

Preferences: *Industrious Urban Fringe* households balance their budgets carefully. Mortgage payments take priority. They shop at Wal-Mart, Kmart, Target, and other major discount stores for baby and children's products. They dine out less often than average households. Many have no financial investments or retirement savings other than their homes and are less likely than average to carry health insurance.

Keeping in touch is important to these residents. They often have a second phone line at home and purchase various phone services. Having pets, particularly dogs, is an integral part of their family lifestyle. They enjoy watching movies, both at theaters and at home. Multiple visits to movie theaters in a month are quite common. Newspapers and magazines are not the best media to reach the *Industrious Urban Fringe* households. Television and radio are more effective. They watch television just as much as the average U.S. households but subscribe to cable less often. They listen to the radio frequently, tuning in to contemporary hit and Hispanic stations.

Prairie Living, 20.9% of Gridley Market Area Households

Demographic: Small, family-owned farms in the Midwest dominate this stable market. Two-thirds of these households are composed of married couples, with and without children. These residents are slightly older, with a median age of 40.5 years. These communities have little ethnic diversity; 93 percent of *Prairie Living* residents are white.

Socioeconomic: The 67 percent labor force participation rate is high; the 4 percent unemployment rate is low. One in four residents who work is self-employed. Agricultural jobs are an important part of the *Prairie Living* economy, although 40 percent of employed residents work in white-collar jobs. Thirty-one percent of households receive Social Security benefits; 43 percent receive investment income. The median household income is \$41,000; the median net worth is \$79,600. Overall, 82 percent of residents aged 25 years and older have graduated from high school. Twenty-nine percent have attended college.

Residential: *Prairie Living* neighborhoods are primarily located in the Midwest, with much smaller concentrations in the West and South. States with the highest household concentrations are Iowa, Nebraska, Minnesota, and Kansas. Homeownership is at 81 percent and the median home value is \$96,300. Single-family dwellings are characteristic of these farm communities. Notably, 11 percent of housing units are mobile homes, slightly higher than the U.S. percentage. Approximately 36 percent of the housing units in this segment were built before 1940. Due to the long-term decline in agricultural employment and the loss of family farms, household growth in *Prairie Living* neighborhoods is nil. The rural setting renders multiple vehicles a necessity. Approximately three-fourths of households have two or more vehicles; one-third have three or more.

Preferences: Their purchases reflect their rural lifestyle; *Prairie Living* residents buy work boots and hunting clothes. They own separate freezers, coal and wood stoves, and pressure cookers. To fill those freezers, *Prairie Living* residents plant vegetable gardens, in addition to crops, and hunt or fish. To take care of their possessions, *Prairie Living* households own riding lawn mowers, gardening equipment, and vehicle and home repair tools. They service their own vehicles and tackle home improvement projects such as kitchen remodeling. They own pets, particularly dogs. Because cable television is not available in many rural neighborhoods, satellite dishes are frequently used.

Prairie Living residents are loyal country music fans and tune in to radio and television for their favorite music. They enjoy hunting and fishing. They tend to be political conservatives. They prefer domestic vehicles, especially trucks. Civic-minded *Prairie Living* residents serve on church boards, address public meetings, volunteer for charitable organizations, and help with fund-raising. *Prairie Living* households shop for bargains. Wal-Mart is, by far, their favorite department store, followed by Kmart and J.C. Penney. They often rely on a Wal-Mart Supercenter for their extra grocery shopping.

Rural Resort Dwellers, 5.1% of Gridley Market Area Households

Demographic: Preferring milder climates and pastoral settings, *Rural Resort Dwellers* residents live in rural non-farm areas throughout the United States. The chief household type (39 percent of households) for this segment is a married couple with no children living at home. Other significant household types include singles who live alone (24 percent) and married couples with children (21 percent). This somewhat older segment has a median age of 46 years. Thirty-five percent of the population and half of the householders are aged 55 years or older. There is little diversity in these communities: most residents are white.

Socioeconomic: Although retirement officially looms for many *Rural Resort Dwellers* residents, most of them still work. The median household income is \$45,600, slightly below the U.S. level. Six percent of all who are employed work at home, twice that of the U.S. percentage. Because of the higher-than-average presence of residents aged 65 or older, receipt of retirement income and Social Security benefits is common for these households. More than two-fifths of households collect investment income; approximately one-fifth earn self-employment income. More than half of the population aged 25 years and older hold a bachelor's or graduate degree or have attended college, comparable to the U.S. level. The median net worth is \$99,700, slightly below the U.S. median.

Residential: Although these low-density communities are small, households are growing at 1.7 percent annually. Typical of areas with rustic appeal, the household inventory features single-family structures (78 percent) and mobile homes (15 percent). Homeownership is at 83 percent, and the median home value is \$181,600. A significant inventory of seasonal housing exists in these communities; the *Rural Resort Dwellers* market has the highest percentage of seasonal housing of all the Community Tapestry segments, 18 times higher than the national level.

Preferences: Modest living and simple consumer tastes describe *Rural Resort Dwellers* residents. Gardening tools and equipment are an integral part of maintaining their properties. They often work on home remodeling and improvement projects. Their simple lifestyle also includes baking and preparing home-cooked meals. Many households have pets, particularly dogs. The rural setting means higher-than-average numbers of riding lawn mowers and satellite dishes. Many households also own multiple vehicles including a truck. *Rural Resort Dwellers* residents actively participate in local civic issues. They enjoy boating, hunting, fishing, snorkeling, and canoeing. They listen to country music on the radio. The older population focuses on age-related issues such as general health care, prescription medications, and financial and retirement-related matters. Many *Rural Resort Dwellers* residents actively manage or plan their investments and retirement savings. IRA accounts are more popular than 401(k) plans with this high proportion of self-employed residents.

Heartland Communities, 4.8% of Gridley Market Area Households

Demographic: Well settled and close-knit, *Heartland Communities* residents are slightly older than average, with a median age of 41.3 years. Approximately half of the residents have already retired, many in the same towns where they have lived and worked their whole lives. Nearly one-third of householders are aged 65 years or older. Although married-couple families comprise nearly half of the household types and almost one-third are singles who live alone, other family types and shared housing are also represented. Children are found in 30 percent of the households. Most of the residents in this market are white.

Socioeconomic: The median household income for this segment is \$33,100. Two-thirds of the households earn wage and salary income, and 39 percent receive Social Security benefits. Driven by low home values, their median net worth is only \$63,900. Employed residents work in occupations ranging from management positions to unskilled labor jobs; approximately 43 percent are employed in service industries. The unemployment rate of 7 percent is close to the U.S. value. Overall, 74 percent of residents aged 25 years and older have graduated from high school. Only 12 percent hold a bachelor's or graduate degree.

Residential: Preferred by nearly six million people, *Heartland Communities* neighborhoods are primarily found in small towns scattered across the Midwest and South. Low-density neighborhoods dominate with older homes in urban clusters and rural, nonfarm areas. More than half of the housing units were built before 1960. Homeownership is at 73 percent; the median home value is \$74,400, less than half of the U.S. median. More than three-fourths of the housing is single-family dwellings.

Preferences: *Heartland Communities* residents invest time and money in their cherished homes and communities. They take pride in their gardening skills and in growing their own vegetables. Many homes own a riding lawn mower to keep up their relatively large lots. Residents would probably tackle home improvement projects such as exterior painting and faucet replacement and shop at traditional hardware stores such as True Value. Many residents order items from catalogs, QVC, and Avon sales representatives. When shopping outside the home, they prefer to visit Wal-Mart. When eating out, favorite restaurants include Ponderosa and Lone Star Steakhouse. The residents in this segment rarely travel by plane.

Heartland Communities residents have a distinctly country lifestyle. They play bingo, do woodworking, and enjoy outdoor activities such as hunting and freshwater fishing. They also read gardening, fishing, and hunting magazines, and listen to country music and NASCAR auto racing on the radio. Reading two or more Sunday newspapers is important to them. Some are members of veterans' clubs. They participate in civic activities and take an interest in local politics. Many *Heartland Communities* households subscribe to cable and usually watch game shows, news programs, and movies on TV.

Green Acres, 4.5% of Gridley Market Area Households

Demographic: Married couples, with and without children, comprise 71 percent of the households in *Green Acres*. Many families are blue-collar baby boomers, many with children aged 6–17 years. With more than 9.3 million people, *Green Acres* represents the third largest population of all the Community Tapestry markets, currently more than 3 percent of the U.S. population, and growing by 1.6 percent annually. The median age is 39.9 years. This segment is not ethnically diverse; 94 percent of the residents are white.

Socioeconomic: *Green Acres* residents are educated and hardworking; more than half who are aged 25 years and older hold a degree or attended college. Labor force participation is approximately 69 percent, with higher employment concentrations in the manufacturing, construction, health care, and retail trade industry sectors. Seventeen percent of households derive income from self-employment ventures. Occupation distributions are similar to the United States. The median household income is \$62,300, and the median net worth is \$151,500.

Residential: *Green Acres* neighborhoods are located throughout the country but mainly in the Midwest and South. The highest state concentrations are found in Michigan, Ohio, and Pennsylvania. A little bit country, *Green Acres* residents live in pastoral settings of developing suburban fringe areas. Homeownership is at 88 percent. Eighty-seven percent of the household inventory is dominated by single-family dwellings. These newer homes carry a median value of \$179,700. Typical of rural residents, *Green Acres* households own multiple vehicles: 78 percent own two or more vehicles.

Preferences: Country living describes the lifestyle of *Green Acres* residents. Pet dogs or cats are considered part of the family. These do-it-yourselfers maintain and remodel their homes; projects include painting, installing carpet or insulation, or adding a deck or patio. They own all the necessary power tools, including routers, welders, sanders, and various saws, to finish their projects. Residents maintain their lawns, flower gardens, and vegetable gardens, again with the right tools. They own riding lawn mowers, garden tillers, tractors, and even separate home freezers for the harvest. Fitting in with the do-it-yourself mode, it is not surprising that *Green Acres* is the top market for owning a sewing machine. A favorite pastime is using their ice cream maker to produce homemade ice cream. They prefer motorcycles and full-size pickup trucks.

For exercise, *Green Acres* residents ride their mountain bikes and participate in water sports such as waterskiing, canoeing, and kayaking. Other activities include bird-watching, power boating, target shooting, hunting, and attending auto racing events. They prefer to listen to college football, NASCAR auto racing, and news-talk programs on the radio and read fishing, hunting, and motorcycle magazines. Accommodating the country lifestyle, many households watch TV by satellite dish instead of cable. Events they enjoy watching on TV include alpine skiing, ski jumping, motorcycle racing, equestrian events, and bicycle racing. A favorite station is the Speed Channel.

Main Street USA, 3.7% of Gridley Market Area Households

Demographic: Main Street, USA neighborhoods are a mix of household types, similar to the U.S. distribution. Approximately half of the households are composed of married-couple families, nearly one-third are single-person or shared households, and the rest are single-parent or other family households. The median age of 36.3 years matches the U.S. median. The majority of these residents are white.

Socioeconomic: The median household income for this market is a comfortable \$51,200. Income is mainly derived from wages. The proportion of households with income from other sources is similar to the U.S. distribution. Named appropriately, it is not surprising that the Main Street, USA market also exhibits occupation and industry distributions similar to the United States. The median net worth is \$120,000. Approximately one-fifth of residents aged 25 years and older have earned a bachelor's or graduate degree; 30 percent have attended college.

Residential: Main Street, USA neighborhoods are a mix of single-family homes and multiunit dwellings found in the suburbs of smaller metropolitan cities, mainly in the Northeast, West, and Midwest. Sixty-one percent of households are single-family homes, matching the U.S. percentage. Nearly two-thirds of the housing was built before 1970. Homeownership is at 66 percent; the median home value is \$190,200.

Preferences: Residents of Main Street, USA are active members of their communities, participating in local civic issues and working as volunteers. They take trips to the beach, visit theme parks, and occasionally go on domestic vacations. In the evenings, they might eat out or play billiards at their favorite bar. Friendly's and Red Robin are their favorite family restaurants. Many residents prefer to go bowling or ice skating, play chess, or rent a movie. For exercise, they use their stationary bikes and take aerobics. They listen to ice hockey games as well as classic hits and variety stations on the radio. Favorite TV shows include *Diagnosis Murder*, *7th Heaven*, and *Malcolm in the Middle*.

They use the Internet to play games, visit chat rooms, or search for employment; however, shopping online is growing in popularity. If they do not have access at home, they may access the Internet at school or at the public library. They rely extensively on the Yellow Pages to find restaurants, stores, contractors, and more. Householders invest in small home remodeling and improvement projects. Residents would probably finish the work themselves instead of hiring an outside contractor. To complete the jobs, they purchase tools and supplies from Home Depot or Ace Hardware. Residents maintain their lawns and gardens by planting new bulbs, fertilizing, and using insecticide regularly.

Las Casas, 3.3% of Gridley Market Area Households

Demographic: *Las Casas* residents are the latest wave of western “pioneers.” Nearly half of them were born outside the United States. Eighty-three percent of these residents are Hispanic. Households are dominated by families, mainly married couples with children (42 percent) and single-parent families (21 percent). The median age of this market is 25.4 years. This is a young segment: nearly half of the residents are younger than 25 years; two out of three residents are younger than 35 years. Of all the Community Tapestry segments, *Las Casas* has the highest average household size (4.27).

Socioeconomic: The median household income of \$35,400 and the median net worth of \$61,600 are relatively low compared to the national medians. Most households derive their income from wages and salaries; some receive Supplemental Security Income or public assistance income. Employed residents work predominantly in the service and manufacturing industry sectors. Part-time employment is common in this segment. Unemployment is at 13 percent, almost twice that of the U.S. level. Educational attainment levels are much lower than national levels; only 5 percent of residents aged 25 years and older hold a bachelor’s or graduate degree and only 14 percent have attended college. Sixty-two percent have not finished high school.

Residential: *Las Casas* neighborhoods are located primarily in California. Fifty-eight percent of the households rent. The median value for owner-occupied homes is \$278,400. There is strong demand for housing in these neighborhoods; vacancy rates are lower than average. Housing is a mix of older apartment buildings, single-family dwellings, and townhomes. Most of the housing units were built before 1970.

Preferences: The large size of *Las Casas* households limits their discretionary income. The presence of children influences their spending habits. They live modest lifestyles. Many drive older vehicles. This is a strong market for purchases of baby and children’s products. They typically shop for groceries at Ralphs or Vons, and AM/PM is their convenience store of choice. Home improvement or remodeling is not a top priority.

Typically, households own one TV set and do not subscribe to cable. Residents watch sports on TV, particularly soccer and weight lifting, as well as shows such as *Nature*, *NOVA*, *Candid Camera*, and *Charmed*. Hispanic radio is, by far, their favorite radio format; however, they also listen to variety and contemporary hit radio programs. They enjoy playing soccer and reading books, particularly adventure stories. Many treat their children to a family outing at a theme park, especially Disneyland. Mexico is a popular destination for trips.

