



## 2014 RETAIL MARKET STUDY EXECUTIVE SUMMARY

During the late summer and fall of 2014, with the support of an Appalachian Regional Commission (ARC) Flex-E-Grant, the City of Horse Cave conducted an update of the retail market analysis for the downtown area. The analysis was done by national retail market consultant, Marketek, Inc., who had produced the original study in 2004. The analysis assessed the growth potential of the retail market sector based on demographic trends, shopper survey, local and regional competition and a statistical demand analysis.

This information is valuable to brokers, property owners, local retails and those seeking to start new retail outlets. It includes a work plan for community development. The full report is available for download from the city's website, [www.horsecaveky.com](http://www.horsecaveky.com). Printed copies are available at City Hall. **The Top 10 major findings:**

<b>1</b>	Horse Cave is experiencing a \$37 million annual leakage in four main categories – <i>Shoppers Goods, General Merchandise, Miscellaneous Specialty Retail, Convenience Goods and Restaurants.</i>
<b>2</b>	Horse Cave is in a regional tourism area just off Interstate 65 near Mammoth Cave National Park with a unique attraction (Hidden River Cave, Zip & Rappel) and a large, expanding manufacturing base. <i>Businesses must pull from these potential markets to add to the small local market in order to thrive.</i>
<b>3</b>	Horse Cave residents cite as their main reasons for shopping locally the convenient location, supporting local businesses and less traffic and crowds. <i>However, the 78% of adult survey respondents and 39% of high school respondents cited the poor selection of goods and services as a major disadvantage to shopping downtown.</i>
<b>4</b>	The appearance of downtown buildings is also a major deterrent to downtown shoppers according to 27% of adult respondents and 52% of high school respondents. <i>A vacant building window display program and vacant building ordinance could help alleviate that negative perception as well as attract potential entrepreneurs.</i>
<b>5</b>	Horse Cave's retail market (almost 21,000 people within a 10-mile radius of downtown) has an annual median household income that is 22% lower than the state average. <i>Value plays an important role in their shopping habits, and small retail businesses struggle to compete with nearby big box stores.</i>
<b>6</b>	Many of the downtown buildings possess good quality, history and charm. They are a beautiful, unique treasure of small downtowns that are becoming increasingly rare. <i>While the character and quality of the buildings offers special opportunity, proper care and maintenance is important.</i>
<b>7</b>	With the closing of Kentucky Repertory Theatre, Horse Cave lacks a downtown entertainment anchor to support more restaurants and retail stores. <i>The theatre space is critical to changing the economics and perception of possibility in downtown Horse Cave.</i>
<b>8</b>	Survey respondents overwhelmingly listed a need for more restaurants and entertainment in downtown, especially mentioning the theatre as a priority. <i>An entertainment/dining combo is the key to generating traffic for other businesses, especially where other retail won't survive.</i>
<b>9</b>	Marketing campaigns that include incentive packages for attracting businesses are vital for filling the vacant buildings. <i>Timing is critical to attracting new businesses, and finding ways to support current businesses is important in that effort, as well.</i>
<b>10</b>	Consultant observation is that nothing will happen until more people are at the table, working with an organizer such as a Community Development Circuit Rider who promotes more than one small town in the area or county.