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CONTACT: Stacy Mitchell

Tel. 207-774-6792

Email: smitchell@ilsr.org

Additional contacts at the end of the release

Independent Retailers Outperform Chains Over Holidays, National Survey Finds

MINNEAPOLIS, MN (Jan. 15, 2009) - In an extremely challenging economic climate, independent retailers are outperforming many chains, a national survey has found.

The survey of 1,142 independent retailers in a wide range of categories (books, toys, clothing, etc.) and across all 50 states found that holiday sales at independent stores declined an average of 5.0% from the same time period in 2007. That compares favorably to most competing chains, including Barnes & Noble (- 7.7%), Best Buy (-6.5%), Borders (-14.0%), JC Penney (-8.1%), Macy's (-7.5%), The Gap (-14.0%), and Williams-Sonoma (-24.2%).

This week, the Commerce Department reported that December retail sales overall were down a record 9.8% over December 2007.

The survey also found that independent retailers in cities with active "Buy Local" campaigns reported much stronger holiday sales than those in cities without such campaigns. "Buy Local" or "Local First" campaigns have been launched in dozens of cities and towns over the last few years. Independent retailers in these cities reported an average drop in sales of 3.2%, compared to a steeper decline of 5.6% for those in cities without an active Buy Local initiative.

The survey was conducted by the Institute for Local Self-Reliance, a nonprofit research organization, in partnership with several independent business organizations, including the American Booksellers Association, American Independent Business Alliance, American Specialty Toy Retailers Association, Business Alliance for Local Living Economies, Independent Music Store Owners coalition, and National Bicycle Dealers Association.

An identical survey last year likewise found that independent businesses in cities with Buy Local campaigns reported stronger sales than those in communities without such an initiative.

"During this holiday season, many more customers mentioned their intentional shopping at local businesses," said one survey respondent. Said another: "I think that the tough economy this year played a huge role in my customers intentionally shopping locally. They felt strongly about supporting those of us who are sticking it out."

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165 11TH STREET

SAN FRANCISCO CA 94103

T: 415.255.1108 F: 415.255.1108

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Ninety-five percent of the retailers surveyed said that the fact that their business is locally owned matters to their customers. That's up from 82% in last year's survey.

"Once again, independent retailers in communities with active shop local campaigns have outperformed retailers in cities and towns without such campaigns," said Oren Teicher, chief operating officer of the American Booksellers Association. "In the midst of a steep economic downturn, independent businesses have shown great resilience. Given the results of this survey, it's not a surprise that an overwhelming majority of shoppers are telling independents that the fact that they are locally owned matters a great deal to them."

"This invaluable data is proving the case that communities are rallying behind independent businesses - and a strong reminder that these entrepreneurs are the bedrock of a local living economy," said Doug Hammond, executive director of the Business Alliance for Local Living Economies.

"Since the economic downturn began, we've seen an explosion of interest in communities looking to start Independent Business Alliances and buy local campaigns," said Jennifer Rockne, director of the American Independent Business Alliance. "This survey shows such interest is justified. These campaigns are making a huge difference for local businesses and their communities."

"Even as household budgets shrink, many people are choosing to direct more of their spending to local businesses," said Stacy Mitchell, senior researcher with the Institute for Local Self-Reliance, which conducted the study. "This could be a key factor in getting the economy back on track. Study after study has concluded that locally owned businesses deliver more jobs and significantly greater economic benefits to their communities."

Contacts:

American Booksellers Association (<http://www.bookweb.org>)
Contact: Oren Teicher, COO, 914-591-2665, ext. 6611, oren@bookweb.org

American Independent Business Alliance (<http://www.amiba.net>)
Contact: Jennifer Rockne, Director, 406-582-1255, jennifer@amiba.net

American Specialty Toy Retailing Association (<http://www.astratoy.org>)
Contact: Kathleen McHugh, Executive Director, 312-222-0984, kmchugh@astratoy.org

Business Alliance for Local Living Economies (<http://www.livingeconomies.org>)
Contact: Doug Hammond, Executive Director, 415-255-1108 x100, doug@livingeconomies.org

Institute for Local Self-Reliance (<http://www.ilsr.org>)
Contact: Stacy Mitchell, senior researcher, 207-774-6792, smitchell@ilsr.org

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