

The Changing Location Patterns of the Neighborhood Grocers in Terre Haute, Indiana: A Geographic Analysis

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Abstract

In today's corporate society, the small businessman is becoming less and less common. A prime example of this presently can be found in the food marketing industry. Since the year 1900, there have been many significant changes in the grocery business throughout the United States. This study specifically deals with the causes and effects of changing location patterns of the small grocer in Terre Haute, Indiana.

The location of the small grocer with respect to major thoroughfares, does appear to be instrumental in the survival of the small grocer against the onslaught of various supermarket chains. Therefore the geographic location seems to be a major influence on the survival of this particular type of small business establishment.

Introduction

The changes in the location and distribution of retail grocers within the corporate limits of Terre Haute, Indiana, is an example of the changing economic environment of man. This study was undertaken during the spring of 1969 when both authors, in personal discussion, observed the rather rapid rate at which certain neighborhood grocers were being eliminated, due perhaps to strong competition of the numerous supermarket chains.

We questioned whether the elimination of the neighborhood grocers was due to the location of supermarket chain stores in shopping centers. Since in Terre Haute there are only a relative few such centers, it could not, by itself, account for the change. We, therefore, decided to test historically, the hypothesis of location with respect to major thoroughfares.

It might be assumed that the retail grocer would tend to polarize around the major thoroughfares within the city. This was found to be true in the early 1900's and in the past two decades. However, in the intervening years, a negative trend was apparent with regard to locating on major thoroughfares.

Data for this study were gathered from the Terre Haute City Directory for the years 1900 to 1967. Recognizing that time would bring considerable change in the location pattern, we decided that a sample of one year in a decade would demonstrate such change. The years selected were drawn randomly, and if data for that year were lacking, the next year was arbitrarily selected. These data were then plotted on a city map (using the city limits for the year selected). Stores outside of the city limits were not included in the study and were not plotted. For purposes of finding trends in recent years, data for both 1962 and 1967 were included (Table 1).

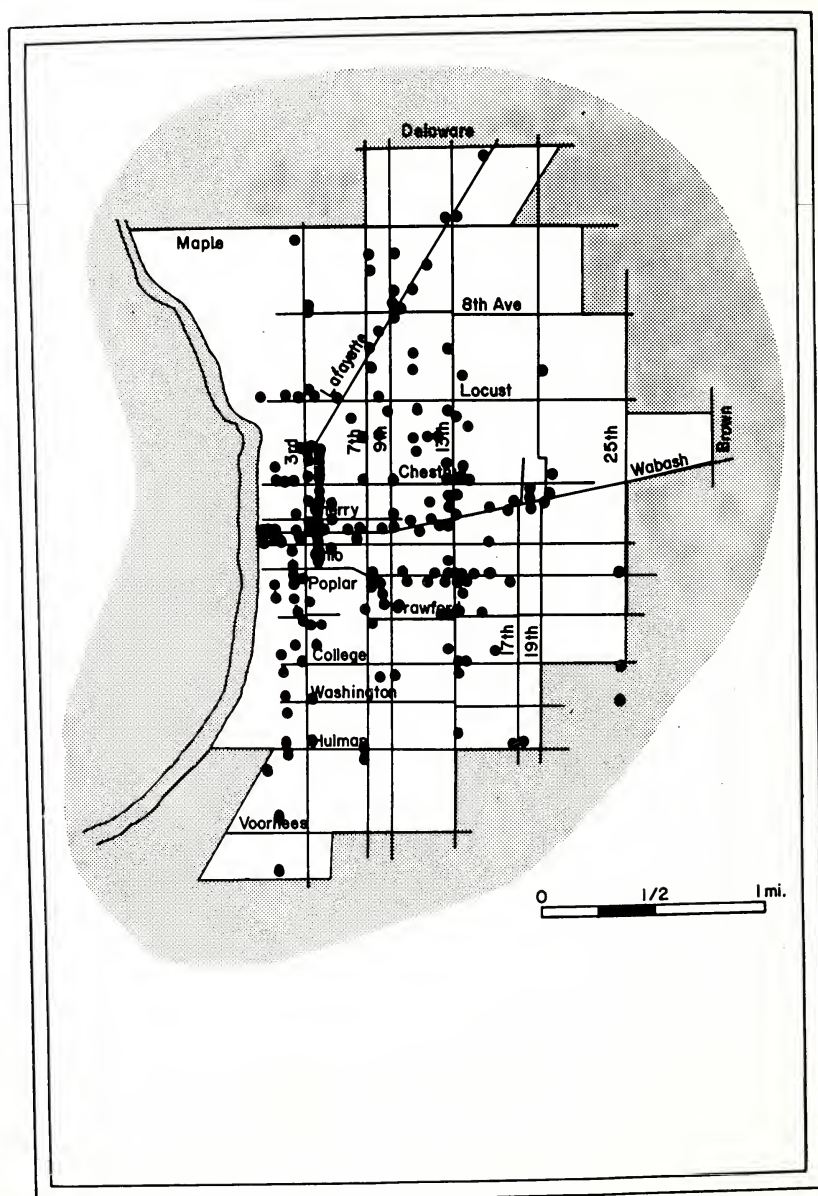


FIGURE 1. *The location of retail grocery stores in Terre Haute, Indiana, in 1900.*

TABLE 1. *Retail grocers on major traffic arteries*

	1900	1908	1918	1927	1937	1944	1954	1962	1967
Wabash Ave.	27	22	28	31	12	12	11	5	3
Lafayette Ave.	16	14	16	34	21	17	13	8	5
Poplar St.	16	18	10	12	12	9	7	6	6
Thirteenth St.	20	20	25	27	22	17	18	10	7
Third and Fourth Sts.	29	27	39	56	39	26	27	13	13
Twenty-Fifth St.	—	—	—	—	—	—	9	7	6
Harding Ave.	21	13	14	15	10	12	—	—	—

Analysis of Patterns, 1900-1967

1900 Map

In 1900, location with respect to major thoroughfares was extremely important (Fig. 1). Four major concentrations were observable: along Lafayette, Wabash, Poplar, and Third and Fourth Streets. Concentrations were present on Thirteenth Street and on Harding Avenue (Second Street), which formerly was the major north-south route in the city. The heavy concentration on Fourth Street was an enigma until it was learned of a Farmers Market in the Court House area. Along Fourth Street, a huge "hay rack" had been installed by farmers to mass feed their horses when they brought in their produce for sale and grocers located with respect to this potential market.

Located along all streets mentioned, with a heavy emphasis in the Central Business District (CBD), were 129 of 191 grocers in Terre Haute, nearly 68% of the total. Concentration along major thoroughfares in 1900 was extremely important. Note, by contrast, the sparse pattern in the NE and SE neighborhoods of Terre Haute. One can summarize the city for 1900 as having very few neighborhood grocers.

1908 Sample

Vast changes occurred between 1900 and 1908. The number of neighborhood grocers increased, particularly in the NE and SE sections of the city. Now only 114 of 224 (or about 50% of the total) were located on the 6 main arteries of the city—a drop of 18% from 1900.

As the city grew toward the NE and SE and construction of many homes of the working class were completed, neighborhood grocers appeared within these areas.

However, the major distribution of stores was still dominated by location with respect to points of major traffic flow. A major redistribution was taking place. The heavy concentration near the "hay rack" had diminished, and the Third and Fourth Street concentration had spread toward the city limits. These two streets had but one additional store in 1908 as compared to 1900, but those stores pre-dating 1908

were no longer concentrated near the CBD to the degree they were in 1900.

Between 1900 and 1908 a decline, to remain unchecked for nearly half a century, began for stores located along major thoroughfares, with consequent growth in importance of neighborhood stores.

1918 Sample

By 1918 the trend toward greater numbers of neighborhood grocers continued with a drop of nearly 5% of the thoroughfare-oriented stores from 1908. Note the relatively dense pattern of neighborhood stores in NE and SE Terre Haute.

The traffic-flow locations are realigned, with growing importance for Thirteenth, Wabash, and Third and Fourth Streets, plus a 50% loss of the grocers located on Poplar. Reappearing is a very heavy concentration on Third and Fourth Streets between Ohio and Chestnut Streets. These stores were largely small stores owned by newly arrived Syrian immigrants in a low-income area of the city.

Between College and Hulman and Twelfth and Fourteenth Streets, a Negro district referred to as "Baghdad," had nearly a 250% increase from 7 to 18 stores. Again, as in the Third and Fourth Street complex, this illustrates a growing tendency for large numbers of small stores to locate in low-income areas.

1927 Map

This was the peak year for grocers in Terre Haute, as there were 439 stores located in the city, up from 295 in 1918 (Fig. 2). A large percentage of this was due to the 36-store Oakley Chain that was opened during this period, and years later, sold out to Kroger Supermarkets, Inc. These stores were spaced evenly throughout the entire city and were supplied, in part, through Oakley's farm.

This locational trend continued. The major traffic arteries accounted for only 40% of the stores, despite a noticeable growth of stores in the Third and Fourth Street area and Lafayette Avenue which increased from 16 stores to 34.

Major traffic arteries had a higher number of stores than ever before, but a smaller percentage of the total. Store coverage was most uniform in the 68 year period. More stores were located in neighborhoods, except in the "Baghdad" area where the number of stores fell from 18 to 7, the number originally found in 1908.

1937 Sample

The effect of the depression is demonstrated by the rapid decline in grocer numbers, from 439 stores to 338, or a 23% decrease. In 1937 only 116 of 338 stores (or 34%) were located on major traffic routes, down 6% from the previous decade.

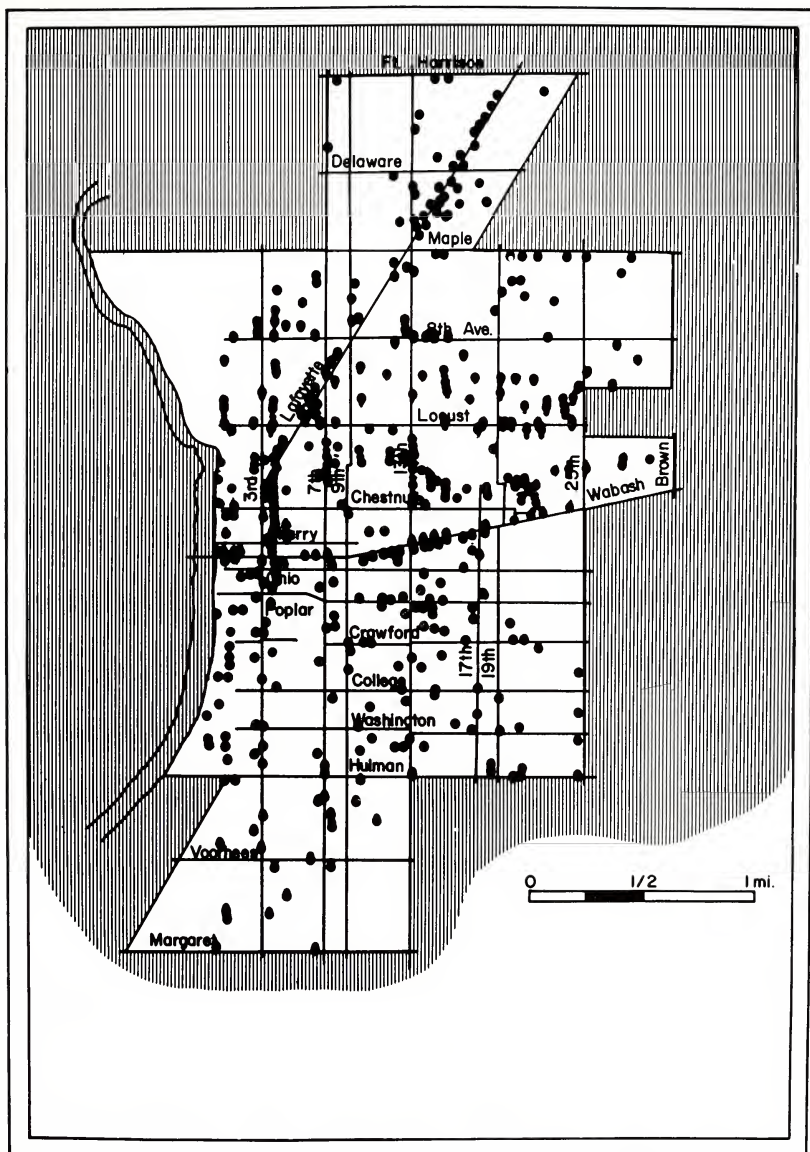


FIGURE 2. The location of retail grocery stores in Terre Haute, Indiana, in 1927.

The remaining stores had even distribution, with only a few clusterings. A new cluster in the Twelve Points area, which began in 1927, continued through 1937, due perhaps to the rebuilding of Garfield High School and a resultant increase of residences in north and northeast Terre Haute.

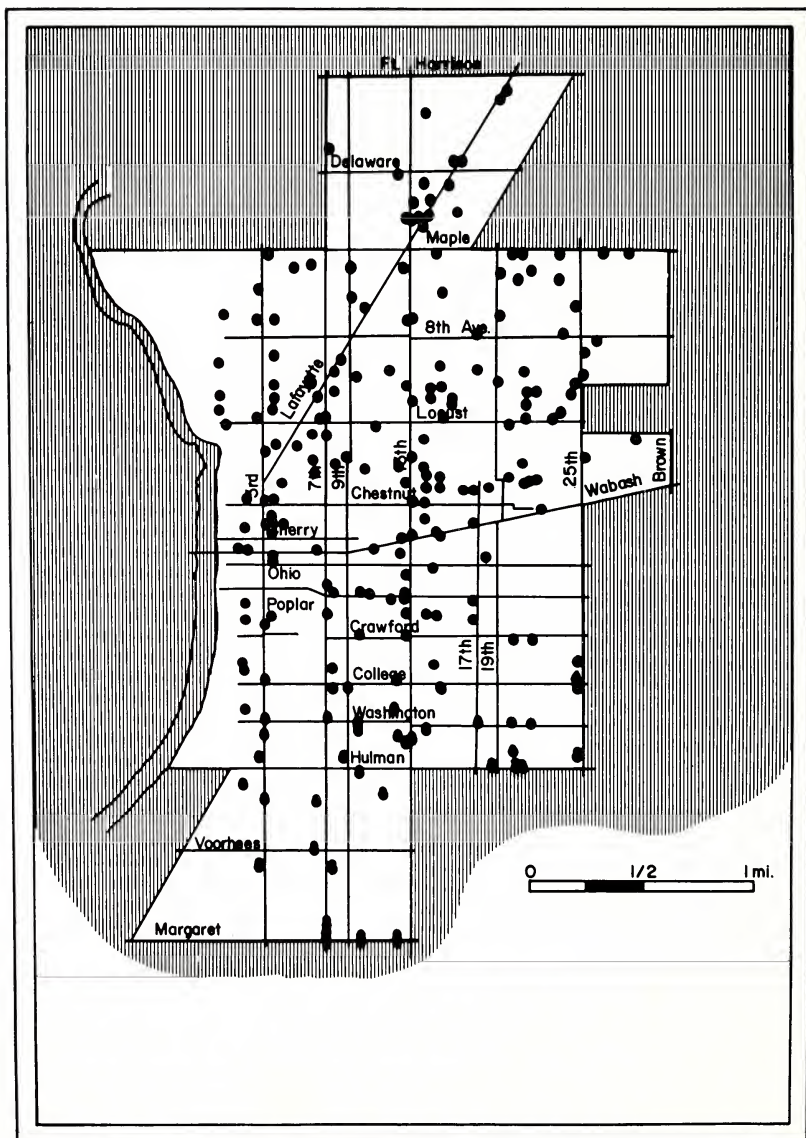


FIGURE 3. *The location of retail grocery stores in Terre Haute, Indiana, in 1954.*

Of the 101 stores that failed from 1927 to 1937, 59 of these were located on major thoroughfares, indicating the declining importance of this location factor.

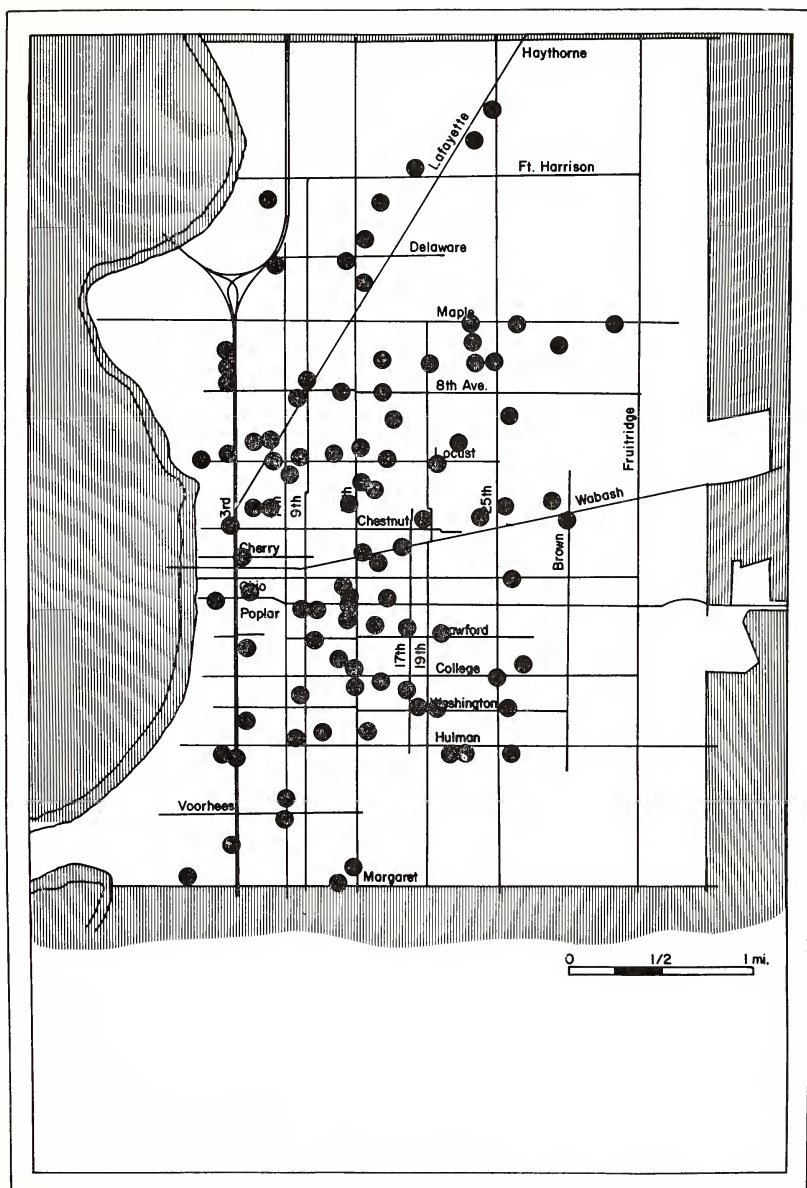


FIGURE 4. The location of retail grocery stores in Terre Haute, Indiana, in 1967.

1944 Sample

The number of grocers declined from 338 to 276, a drop of 62 stores. However, an important trend change occurred at this time. Although only 93 stores of the 276 were located on traffic-flow routes, the

percentage of stores so located remained at 34%, the same figure as for 1937. This marks the first time the decrease was stayed. Stores located on traffic-flow had fewer failures than neighborhood stores, indicating a trend away from the neighborhood stores for the first time. No particular section of the city had a disproportional share of grocer failure.

1954 Map

By this date new thoroughfare alignments had been made in Terre Haute (Fig. 3). Harding Avenue (Second Street) was no longer a major north-south route, but was replaced by Seventh, Eighth, and Ninth Streets. Also, Twenty-fifth Street had grown to major status.

The percentage of stores on major traffic arteries had grown to 41%, up considerably from 1944. This marks the first time in 50 years that the pattern had definitely reversed, the gain for major traffic locations came from a net loss for neighborhood stores.

1962 Sample

The rate of decline was now accelerating as there were but 161 grocers left in Terre Haute, a drop of nearly 100 stores in an 8-year period. Of those remaining, 68 or 43% were on major traffic locations, up 2% since 1954. This indicates the weakening position of the neighborhood grocer and that traffic-flow and shopping centers (as a location factor) were making inroads.

1967 Map

All trends continued, but now at an accelerated rate (Fig. 4). Of the 107 remaining stores, 53 (or about 50%) are located with respect to major traffic, up 7% in 5 years. In addition, at least six major supermarkets were established in shopping centers, leaving relatively few neighborhood grocers in Terre Haute.

The net number of stores in the city is declining rapidly. Obviously the supermarket era which began after World War II is now establishing itself, and larger stores have spread farther apart to areas of easy automobile access. The decline of the neighborhood grocer is apparent both in relative importance and in total numbers.

Conclusion

It is now apparent that there are many reasons for small grocers locating where they do in Terre Haute, but location within a neighborhood is no longer significant. Location with respect to shopping centers is a growing factor; nonetheless, the most important factor at present is major avenues of transportation.

The future of the neighborhood grocer in the city appears to be rather precarious. Although the total volume of each retail store was unattainable, that of the small neighborhood grocer doubtless is very

low. The authors estimated, by using a small sample of shoppers, that the major chain stores plus allied independent grocers (*i.e.*, IGA) control in excess of 90% of the total retail volume.

It would appear that the average consumer, due to the higher prices charged by the neighborhood grocer, will most often patronize the larger chain for purely economic reasons. The convenience of a neighborhood store appears, therefore, to remain secondary to the savings effected by shopping at a larger volume establishment.

Literature Cited

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