Kimberley-Cranbrook

Retail and Services Consumer Survey

Presented to the Cities of Kimberley and Cranbrook

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Background

The cities of Kimberley and Cranbrook engaged Justason Market Intelligence Inc. (JMI) to help develop their understanding of consumer behaviour and preferences in the Kimberly-Cranbrook corridor ("the Corridor"). In particular, the clients wish to determine the level and sources of leakage of consumer spending outside the Corridor. Businesses in the Corridor experience meaningful competition with other jurisdictions including Alberta, Montana, and online retailers. This study uncovers consumer preferences and market demand to support existing businesses and potential new entrants competing in this market.

JMI conducted a telephone survey of 579 adults within the Kimberley-Cranbrook corridor from August 11 to September 22, 2015. The finding are accurate +/- 4.9 percentage points 95% of the time.

Summary Observations

Kimberley-Cranbrook Corridor residents feel that retail shopping within the Corridor could use improvement. A small minority feel that shopping within the corridor is "excellent" or "very good", while one-half feel it is "poor" or "fair". The overall rating reflects the ratings of many product categories.

Several retail types are well represented in the Corridor. A significant majority of residents do most of their shopping for pharmaceuticals and large items like appliances and furniture within the Corridor.

Apparel is a key area of opportunity. Women's, men's, and children's clothing are among the most poorly rated retail categories for availability and selection. Moreover, many residents prefer to shop for clothing outside the Corridor.

Shopping trips to locations outside of the Corridor are fairly common. Three-quarters of residents went on at least one shopping trip outside the Corridor in the past month. Residents who hold unfavourable views of shopping options within the Corridor take, on average, more than twice as many shopping trips outside the Corridor as those who are positive about options in the Corridor. The most common destinations are Alberta and the United States.

Alberta is the most popular destination for residents shopping outside the Corridor, although the U.S. figures prominently. The largest proportions of residents who shop outside the Corridor for apparel, sports and outdoor equipment, and electronics travel to Alberta. However, the United States is also a common destination for these items.

Residents feel another big box store within the Corridor will help meet their retail needs. Costco is the most requested retailer. The high number of Costco visits outside the Corridor backs this up.

Executive Summary

Shopping experience in the Corridor

How do we rate retail shopping in the Corridor?

Fourteen percent (14%) of residents of the Kimberley-Cranbrook corridor (“residents”) rated **retail shopping in the Corridor** “excellent” or “very good”. One-half (49%) feel the shopping in the area is “fair” (30%) or “poor” (19%). The largest proportion (37%) of residents rated the corridor’s shopping as “good”.

Women are more likely than men to give low ratings (poor + fair); women 55% versus men 43%.

Residents of Cranbrook are most likely to give low ratings (54% versus 41% to 42% from Kimberley and rural residents).

Why do we feel that way?

The majority of the concerns about retail in the Corridor are related to store variety and product selection. Three-in-ten (31%) residents’ feel that retail in the Corridor **lacks stores and store variety**. Other negative feedback includes the **lack of product variety or selection** (30%) and more specifically the **lack of clothing stores** (10%). High prices were cited as a concern by just six percent (6%) of residents.

One-quarter (26%) of residents feel the **shopping selection within the Corridor is good or it has everything they need**.

Which type of retail stores do we visit within the Corridor?

All (100%) residents visit **drug stores and pharmacies** within the Corridor. The other type of retail stores residents are most likely to visit include:

- Furniture, appliances, building and garden supply (98%)
- Men’s clothing and shoes (94%)
- Computers and electronics (93%)
- Sports and outdoor equipment (92%)

The majority of residents also visit:

- Women’s clothing and shoes (86%)
- Wine, beer, liquor (84%)
- Pet supplies (80%)
- Children’s clothing and other items (73%)

How do we rate different retail categories?

Reflecting residents’ overall rating of retail shopping in the Corridor, there are no categories that receive mostly positive ratings. Among those who visit stores within these retail categories, residents rated the following retail store categories the highest:

- Groceries (42% excellent + very good)
- Drug stores and pharmacies (41%)
- Wine, beer and liquor (41%)
- Pet supplies (39%)
- Furniture, appliances, building and garden supply (32%)

Stores that received lower ratings include:

- Sports and outdoor equipment (22% excellent + very good)
- Computers and electronics (17%)
- Children’s clothing and other items (10%)
- Men’s clothing and shoes (7%)

The most notable differences in ratings among age groups include:

Wine, beer, and liquor

- 18 to 34 (59% excellent + very good)
- 35 to 54 (39%)
- 55 to 64 (32%)
- 65 and older (37%)

Women’s clothing

- 18 to 34 (18% excellent + very good)
- 35 to 54 (8%)
- 55 to 64 (5%)
- 65 and older (6%)

Men’s clothing

- 18 to 34 (17% excellent + very good)
- 35 to 54 (4%)
- 55 to 64 (6%)
- 65 and older (6%)

Which types of retail stores that provide services do we visit within the Corridor?

Nearly all (99%) residents visit **restaurants** within the Corridor. The other type of retail stores residents are most likely to visit include:

- Vehicle repair services (97%)
- Barbers or salons (95%)
- Shipping and courier services (91%)
- Home maintenance (90%)

The majority of residents also visit stores that offer:

- Printing and copying services (84%)
- Fitness facilities and gyms (83%)
- Clothes washing and dry cleaning shops (76%)
- Agents booking flights and accommodations (73%)

How do we rate retail stores that we visit within the Corridor?

Among residents who visit stores within these retail categories, residents rated the following retail store categories the highest:

- Restaurants (35% excellent + very good)
- Barbers or salons (35%)
- Vehicle repair services (27%)
- Fitness facilities and gyms (25%)

Ratings for the following categories were lower:

- Printing and copying services (20% excellent + very good)
- Agents booking flights and accommodations (19%)
- Home maintenance (18%)
- Shipping and courier services (16%)
- Clothes washing and dry cleaning shops (11%)

Younger residents are more likely to rate **fitness facilities** higher than older residents:

- 18 to 34 (37% excellent + very good)
- 35 to 54 (23%)

- 55 to 64 (16%)
- 65 and older (25%)

New retail

What type of new retail would we like to see in the Corridor?

The largest proportion (43%) of residents feel **new clothing stores** would best serve their household. One-quarter (26%) want **Costco**, thirteen percent (13%) **shoe stores** and a smaller minority suggested **department stores** (8%) or other **big box stores** (8%).

Shopping locations

How often do we shop within the Corridor?

Nearly all (98%) residents have made a shopping trip within **Kimberley or Cranbrook** in the past month. Residents make an average of 11.5 trips per month. Among those who have made the trip at least once, the average is 11.7 trips per month; median of nine trips.

One-half (48%) of residents have made a shopping trip within **Kimberley** in the past month. Residents make an average of 2.3 trips per month. Among those who have made the trip at least once, the average is 4.8 trips per month; median of four trips.

Nearly all (98%) residents made a shopping trip within **Cranbrook** in the past month. Among those who have made the trip at least once, the average of 9.4 trips per month; median of five trips.

How often do we shop outside the Corridor?

Three-quarters (75%) of residents have made a shopping trip **outside the Corridor to other B.C. communities, Alberta, or the United States** within the past year. Among those who have made the trip at least once, the average is 10.6 trips per month; median of five trips.

One-third (34%) of residents have made a shopping trip to **other B.C. communities** within the past year. Among those who have made the trip at least once, the average is 5.4 trips per month; median of three trips.

Six-in-ten (61%) residents have made a shopping trip to **Alberta** within the past year. Among those who have made the trip at least once, the average is six trips per month; median of three trips.

One-half (50%) of residents have made a shopping trip to the **United States** within the past year. Among those who have made the trip at least once, the average is 5.4 trips per month; median of three trips.

Which stores and types of retail do we visit in other communities in B.C.?

Among residents who made shopping trips to other communities in B.C., three-in-ten (30%) visited **Costco**, two-in-ten (19%) went to **clothing stores**, and one-in-ten (11%) **grocery stores**. The other most common types of retail are **sports stores** (7%), **malls** (7%), **The Bay** (6%), and **electronics stores** (6%).

Which stores and types of retail do we visit in Alberta?

Among residents who made shopping trips to other communities in Alberta, over one-half (54%) visited **Costco**. The other most common types of retail are **clothing stores** (16%), **malls** (16%), **sports stores** (9%), and **The Bay** (8%).

Which stores and types of retail do we visit in the United States?

Among residents who made shopping trips to other communities in the United States, nearly one-half (46%) visited **Costco**. The other most common types of retail are **clothing stores** (16%), **Target** (14%), **TJ Max** (10%), **JC Penny** (9%), **Walmart** (7%) and **the malls** (7%).

Online shopping

How often have we shopped online in the past year?

Seven-in-ten (70%) residents have **made purchases online** in the past year. Among those who made at least one purchase, the average is 16.2 per month; median of six purchases.

How often have we shopped online and had items delivered to our door in the past year?

Seven-in-ten (69%) residents have **made purchases online that were delivered to their door** in the past year. Among those who made at least one purchase, the average is 13.7 per month; median of six purchases.

How often have we shopped online and had items delivered to the U.S. in the past year?

One-quarter (25%) of residents have **made purchases online that were delivered to the U.S. to be picked up** in the past year. Among those who made at least one purchase, the average is 7.7 per month; median of three purchases.

How often have we shopped online and had items <u>delivered elsewhere</u> in the past year?

Five percent (5%) residents have **made purchases online that were picked up elsewhere** in the past year. Among those who made at least one purchase, the average is 2.6 per year; median of one purchase.

Shopping and spending habits

Do we do most of our shopping within the Corridor?

The vast majority (87%) of residents do most of their **pharmaceutical and cosmetics** shopping within the Corridor. Other types of shopping mostly done within the Corridor include:

- Furniture, appliances, building supplies and garden supplies (73%)
- Wine, beer and liquor (69%)
- Pet supplies (61%)

One-half (51% to 53%) of residents do most of their shopping for **sports and outdoor equipment** and **computers and electronics** within the Corridor.

A minority do most of their shopping within the corridor for:

- Men's clothing and shoes (45%)
- Women's clothing and shoes (44%)
- Children's clothing, shoes and other items (34%)

Where do we make purchases outside of the Corridor?

Below are the top destinations that residents visit to purchase items mostly purchased outside of the Corridor:

- **Pharmaceutical and cosmetics:** Elsewhere in B.C. (49%); online delivered to community (14%).
- **Furniture, appliances, building supplies and garden supplies**: Elsewhere in B.C. (23%); United States (21%); Alberta (20%).
- **Wine, beer and liquor:** Elsewhere in B.C. (27%); United States (20%); Alberta (14%).
- **Pet supplies:** Elsewhere in B.C. (26%); United States (11%).
- **Men's clothing and shoes**: Alberta (42%); United States (27%).
- **Women's clothing and shoes**: Alberta (30%); United States (24%); elsewhere in B.C. (17%).
- **Computers and electronics:** Alberta (29%); online delivered to community (26%).
- **Sports and outdoor equipment:** Alberta (29%); United States (22%); Elsewhere in B.C. (20%).

- **Children's clothing, shoes and other items:** Alberta (27%); elsewhere in B.C. (17%).

Buying items outside of the Corridor

What items do we prefer to buy outside the Corridor?

Just under two-in-ten (18%) prefer to buy **clothing** outside the Corridor, followed by **groceries** (7%), and **shoes** (6%).

Women are more likely than men to prefer buying **clothes** outside the Corridor (22% versus 13%). Residents who rated shopping within the Corridor as "fair" or "poor" are much more likely to buy clothing outside the Corridor than those who rated shopping "excellent" or "very good" (24% versus 2%).

Where do we prefer to buy these items?

The top three options for purchasing items residents prefer to buy outside the Corridor are the **United States** (17%), closely followed by **Alberta** (16%), and **online stores** (13%).

Why do we shop outside the Corridor?

The most common reason cited by residents for shopping outside of the Corridor is looking for better **selection** (57%), followed by **availability** (48%), **price** (40%), and **convenience** (12%).