

An aerial photograph of a town situated on a peninsula or near a large body of water. The town has a mix of residential and commercial buildings, and there are several smaller lakes or ponds scattered throughout the landscape. The sky is clear and blue.

RETAIL LEAKAGE

**HOW CAN YOU KNOW HOW MUCH YOUR
BUSINESSES ARE LOSING TO YOUR
NEIGHBOURS?**

OACFDC ANNUAL CONFERENCE

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What is Retail Leakage?

- Out of town shopping
- Selection, price, medical visits, etc.
 - Loss of business revenue
 - Impacts success of local businesses and local tax base



First step is to understand how much is leaving.

- Can provide a basis for shop local campaigns or other solutions
- Can provide an attraction tool for retail businesses
- Helps existing retailers adapt their product mix
- Data is key to understanding the issue



CASE STUDY: City of Elliot Lake

- Located halfway between Sault Ste. Marie and Sudbury in Northern Ontario
- Former uranium mining town
- 1986: 4,850 miners, population 17,984
- 1990 closure announcements, 3,000 layoffs
- 1996 last closure



CASE STUDY: City of Elliot Lake

- mid 1980's began to diversify
- Retirement Living started in 1987
- Miner's left, seniors moved in
- Current population about 11,000
- Many retailers and other businesses left
 - Zellers, Woolco, Kresge's all left
 - No major department store by mid 90's



CASE STUDY: City of Elliot Lake

- Shopping was minimal
- Sense that dollars were being lost – profile of shoppers and their needs had changed as well
- City and Retirement Living hired Laurentian University in 1998 to design a way to count those dollars
- Idea was to provide a basis for rebuilding retail sector



CASE STUDY: City of Elliot Lake

- **Some success was obvious**
- **Once the results were known new businesses opened and Zellers returned to the community**
- **During the 2006 Business Retention and Expansion project, retailers requested the 1998 study be done again to provide new data. Partners included CFDC, City, Chamber of Commerce, ELNOS, Ontario government.**
- **Again, new retailers opening and existing retailers revising product mix**



THE TOOL

- **Customized survey**
- **Can be adapted to the needs of any community**
 - **Example: Added online shopping in 2007**
- **Can provide in depth data on actual shopping patterns in the community and outside of the community**
- **Can be used as a benchmark tool – are you improving?**
- **In 1998 and 2007 we used 300 shoppers, cross representative of the demographics (family and age).**

QUESTION AREAS

- **Personal information (comparisons)**
- **Goods purchased in town and out of town, including dollar amounts**
- **Locations of out of town shopping**
- **Reasons for not buying local**
- **Mode of transportation, time of year**
- **Compare the shopping experience between local and favourite out of town destination**
- **Offer suggestions for new stores**

THE TOOL

Steps to implementation

- **Consult business community – are they interested?**
- **Do they have specific information needs?**
- **Revise survey accordingly**
- **Pick survey target**
 - **Used 300 so enough in age and family categories to be representative (based on StatsCan totals)**
- **Advertise – let community know**

Steps to implementation

- **Volunteer or paid interviewers? Training is key**
 - **Survey takes 25-30 minutes on phone**
- **Call sheets...can take every fifth (or third, etc.) number in phone book**
- **Begin interviews – evening is best to capture everyone**
- **Have one person review all interviews to ensure all questions are answered**

Steps to implementation

- **Easiest if surveys are coded...can be entered into a computer database and a tally report generated**
- **Can be done manually but very time consuming**
- **Generate Tally Report and present to business community**
- **Use as market research for clients and investment attraction**



BUDGET

Dependant upon approach

- **Surveys – estimate 1.5 to 2 surveys per hour**
- **Supervision of survey teams (4-6 surveyors)**
- **Database design**
- **Coding and data entry (longer by hand)**
- **Printing, phone costs, public meetings, etc.**

Each time the costs have not exceeded \$5,000 using paid staff.



QUESTIONS?

- **Review some questions from the survey and some selected results of the projects...**