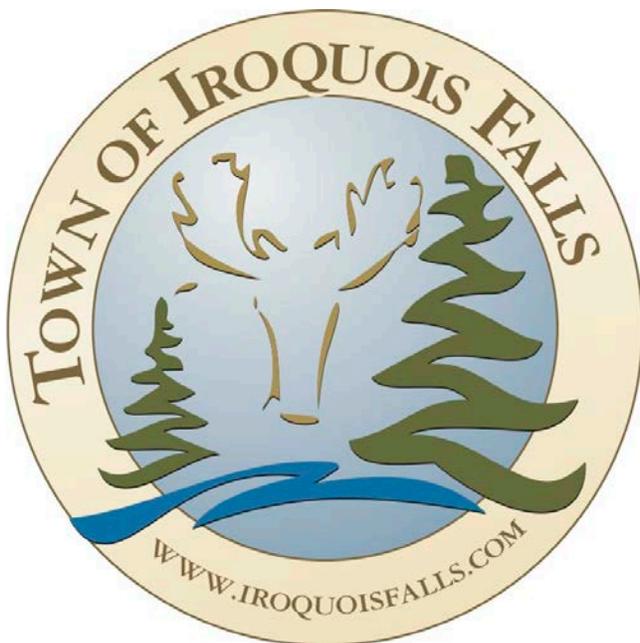


TOWN OF IROQUOIS FALLS NON-LOCAL AND ONLINE SHOPPING SURVEY

July 2018



Economic Development Officer
ecdev@iroquoisfalls.com

TABLE OF CONTENTS

1.0 Summary	page 2
2.0 Survey Methodology	page 3
3.0 Non-local Shopping	page 4
4.0 Online Shopping	page 5
5.0 Reasons for Shopping Non-locally and Online	page 6
6.0 Product Categories	page 7
7.0 Gap Analysis for Missing Businesses	pages 8-9
8.0 General Comments	page 10
9.0 The Survey	pages 11-12

TABLES

Table 1: <i>Non-local shopping dollars spent annually</i>	page 3
Table 2: <i>Online shopping dollars spent annually</i>	page 3
Table 3: <i>Annual Non-Local Spending</i>	page 4
Table 4: <i>Annual Online Spending</i>	page 5
Table 5: <i>Reasons for Shopping Non-locally</i>	page 6
Table 6: <i>Product Categories/Number of Households Responding/Average Annual Amount Spent per Household</i>	page 7
Table 7: <i>Gap Analysis for Missing Businesses by Number of respondents</i>	pages 8-9
Table 8: <i>Comments</i>	page 10

1.0 Summary

The purpose of the survey (see **9.0 The Survey**) was to analyze local consumer household non-local shopping patterns and preferences. Focusing on the frequency that households shop non-locally including online; the amount that they spend; and the type of commodity they tend to purchase provided a graphic picture of non-local shopping habits of an average Iroquois Falls household. Why is this important?

Equipped with direct feedback from the community the Town is able to target retail opportunities. Data from the survey report can be used by local merchants looking to strategically improve their retail market share. Any merchant or potential merchant considering expanding their business, starting a new business, or focusing on a new retail commodity could benefit from the information contained within this report***.

“The exit of money from the economy through leakage results in a gap in supply and demand. Leakage occurs when income is removed by taxes, savings and imports. In the retail sector, leakage refers to consumers who spend money outside the local market.

Closed-circle income streams allow money to flow from businesses to households in a continuous fashion. As households purchase goods within the system, businesses spend money in support of labor needs and business expansion. When consumers choose to take money outside of the closed circle, leakage occurs.

Income can leak out of closed systems through a variety of events and mechanisms. Tourism can cause leakage through funds transitioning between those who live in a particular area and chosen tourist destinations. Additionally, tourism-based businesses, who have facilities in one area but hold headquarters in another, may create leakage as funds are shifted to the headquarters location.

Importing goods can also result in leakage when the goods are considered necessary to support local business or interests. The funds used to purchase the imports leave the immediate area resulting in an outflow of funds from the home area. Export funds can also result in leakage when those funds are invested in areas other than where the exports are produced, which most commonly occurs in multinational business operations.¹

****A word of caution this report depended on the accuracy of the respondent’s input filling out the survey. In that regard the data contained within is only as accurate as what was gathered. Furthermore the data was extrapolated and analyzed statistically to envision what the entire community’s non-local shopping habits may be. Therefore there are no guarantees, nor can none be made, as to accuracy of the numbers in this report. The opinions offered therein are solely those of the author. Anyone contemplating starting a new business or expanding an existing one should consult the Economic Development Officer before proceeding with their plans.*

¹ <https://www.investopedia.com/terms/l/leakage.asp>

2.0 Survey Methodology

The number of survey respondents was encouraging and represented a cross section of the population of Iroquois Falls. Estimates of what an entire household population spends and the type of commodity purchased were gathered during the survey.

In 2016 the number of households in Iroquois Falls numbered 2,030 as reported by the by Statistics Canada (Statistics Canada) for private dwellings.

The accuracy of the data collected is based on a confidence rate of 95%. A confidence rate of 95% means that the result of an action will probably meet expectations 95% of the time. Based on the size of the sampling², the size of the response³, and deducting the estimated number of households not shopping outside the community⁴, an accuracy rate or confidence interval can be reasonably determined. These factors have been combined mathematically to yield an accuracy rate or confidence interval calculated to be in the ±10% range for non-local shopping and ±12% for online shopping.

Table 1 illustrates how the confidence interval changes relative to baseline for non-local shopping. **Table 2** illustrates how the confidence interval changes relative baseline for online shopping. The dollar amount is an estimate of the amount of money spent shopping outside the community and online by Iroquois Falls households annually. For the purposes of this study we will be using baseline or average data to estimate numbers:

Table 1: Non-local shopping dollars spent annually

Highest Scenario +10%	\$6,637,431
Baseline	\$6,034,028
Lowest Scenario -10%	\$5,430,004

Table 2: Online shopping dollars spent annually

Highest Scenario +12%	\$4,312,224
Baseline	\$3,850,200
Lowest Scenario -12%	\$3,388,176

Baseline Nonlocal Shopping Dollars + Baseline Online Shopping Dollars = Estimated Retail Trade Leakage

\$6,034,028 + \$3,850,200 = \$9,884,228

Therefore it estimated \$10 million is spent outside the community and online annually.

2 Sampling size: 2,030 households - 2016 StatsCan

3 Size of response: 107 (non-local shopping household responses) and 90 (online shopping household responses)

4 Number of Households: not shopping out-of-town 11 and not shopping online 21

3.0 Non-local Shopping

To facilitate results based on the average response, a decision was made to utilize “Average Monthly Spent” to estimate how much was spent out of the community. The “Average Monthly Spent” category is the mean or average of the “Monthly Spending Range” in each category (for example the mean of \$100-\$299 would be \$200).

Where the amount chosen by the survey’s respondents was greater than \$1,000, a \$1,000 was adopted as “The Average Monthly Spent”. The \$1,000 amount is considered very conservative for the “Average Monthly Spent” >\$1,000 category as purchases are often made for items that total over \$1,000 (appliances, furniture, automotive)

Table 3: Annual Non-Local Spending

Monthly Spending Range	Average Monthly Spent	Number Households Responding	Monthly Spending⁵	Number of Households Estimated⁶	Annual Spending⁷
\$100-\$299	\$200	58	\$11,600	1,056	\$2,534,400
\$300-\$499	\$400	28	\$11,200	510	\$2,448,000
\$500-\$699	\$600	5	\$3,000	91	\$994,266
\$700-\$999	\$850	3	\$2,550	55	\$46,436
>\$1,000	\$1,000	6	\$6,000	109	\$10,926
Totals		100		1,821	\$6,034,028

5 Monthly Spending = 100 households X Average Monthly Spent

6 Number of Households Estimated = Number Households Responding (in each Monthly Spending Range)/100(total Number Households Responding) X 1,821 households

7 Annual Spending = Average Monthly Spent X Number of Households Estimated

4.0 Online Shopping

To facilitate average results a decision was made to utilize “Average Monthly Spent” to determine how much was spent online. The “Average Monthly Spent” category is the mean or average of the “Monthly Spending Range” in each category (for example the mean of \$100-\$299 would be \$200).

Where the amount chosen by the survey’s respondents was greater than \$1,000, a \$1,000 was adopted as “The Average Monthly Spent”.

Table 4: Annual Online Spending

Monthly Spending Range	Average Monthly Spent	Number Households Responding	Monthly Spending ⁸	Number of Households Estimated ⁹	Annual Spending ¹⁰
\$100-\$299	\$200	50	\$10,000	830	\$1,992,000
\$300-\$499	\$400	15	\$6,000	249	\$1,195,200
\$500-\$699	\$600	1	\$600	17	\$122,400
\$700-\$999	\$850	2	\$1,700	33	\$336,600
>\$1,000	\$1,000	1	\$1,000	17	\$204,000
Totals		69		1,145	\$3,850,200

8 Monthly Spending = 69 households X Average Monthly Spent

9 Number of Households Estimated = Number Households Responding (in each Monthly Spending Range)/69(total Number Households Responding) X 1,145 households

10 Annual Spending = Average Monthly Spent X Number of Households Estimated X 12 (months in a year)

5.0 Reasons for Shopping Non-locally and Online

Table 5: Reasons for Shopping Non-locally

Reasons	Responses
For the selection	68
For product availability	63
For the customer service	1
For lower prices	68
For better store hours	17
For the convenience	38
Total	255

Why do members of your household shop out of town or online?

There was significant response to this question indicating local shoppers care about selection, lower prices, product availability, convenience and better store hours.

It's not the intent of this question to determine the type of product(s) that would entice a consumer to shop locally; nor what constitutes satisfactory product availability; or what product price point would make customers happy. This survey question merely quantifies factors that entice consumers to shop non-locally or online versus spending in the Iroquois Falls retail local business district.

Iroquois Falls' proximity to larger retail centers highlights the convenience factor that makes non-local shopping opportunities easier to access. Eliminating non-local and online shopping is not possible. There are many compelling options and reasons that entice shoppers to perform online and non-local shopping. To completely eliminate these shopping methods is impossible. However local business has the advantage of being usually less than 10 minutes away from their patrons. Whereas it takes anywhere from 30 to 45 minutes' drive time to reach the closest non-local shopping districts. Trips out of town also incur fuel, meal and sometimes accommodation costs.

Some non-local businesses offer extended hours of operation. For local merchants extended store hours don't always have to mean longer employee hours or putting on another shift but can be as simple as offering later morning openings with extended evening closing hours.

Online shopping is one of the most convenient way of purchasing a product. Free shipping and fast delivery means the product can be at your door, often within a week. Competitive pricing keeps most online purchases at a reasonable price. So how does a local merchant deal with this? Some have adopted the old adage "If you can't beat them join them". They blend their inventory to offer some online and some in-store stock. Setting up an online store is actually very easy and virtually anyone can set up an online "storefront" on Ebay or Amazon.

6.0 Product Categories¹¹

Table 6: Product Categories/Number of Households Responding/Average Annual Amount Spent per Household

Category	Number of Households Responding	Average Annual Amount Spent per Household
Motor vehicles and parts	20	\$2,092.20
Furniture and home furnishings	22	\$7,385.45
Electronics and appliances	23	\$5,608.70
Building material and garden equipment and supplies	14	\$3,051.43
Food and beverage	55	\$2,862.55
Health and personal care	28	\$1,058.57
Gasoline	36	\$2,421.67
Clothing and clothing accessories	49	\$1,993.47
Sporting goods, hobby supplies, books and music	22	\$897.27
General merchandise	27	\$1,588.89
Non-store retail	5	\$2,160.00
Electronic and mail order houses	8	\$2,077.50

Table 7 above represents the number of respondents' product classification their non-local and online shopping fit into. For the new or established business owner, new start-up or expansion opportunities may exist in product categories that have the most responses or where consumers spent the most money. I have colour-highlighted the opportunities in terms of their ranking in **Number of Households Responding**:

First: Food and beverage
 Second: Clothing and clothing accessories
 Third: Gasoline

Noted are the following opportunities in terms of their ranking in **Average Annual Amount Spent per Household** responding:

First: Furniture and home furnishings
 Second: Electronics
 Third: Building material and garden equipment and supplies

¹¹<https://www150.statcan.gc.ca/n1/daily-quotidien/180720/t002b-eng.htm>

7.0 Gap Analysis for Missing Businesses

Table 7: Gap analysis for Missing Businesses by Number of Respondents

Industry	1
Paper mill	2
Lumber industry	2
Restaurant (many comments stated "nice or fine-dining", also comment such as: fast-food, chain, later hours needed)	15
Gluten-free restaurants	2
Restaurant for children's activities & food	1
Health Food store	1
Pet store	2
Department store	1
ie. WalMart	2
Canadian Tire	4
Giant Tiger	1
Dollar Store	2
Costco	3
IKEA	1
Music	3
Sports/Outdoor store	14
Fishing/hunting/live bait store	2
Surplus/camping	1
Clothing store	28
Kids clothing	3
Shoe store	6
Art/sewing store	2
Car dealership	5
Automotive	4
Furniture store	8
Gymnastics club	1
Farmers	2
Call center	2
Natural products (personal care, cleaning)	1
Low cost grocery (No Frills, Food Basics)	1
24 hr grocery (or better/longer hours)	1
Registered massage therapist	1
Water park	1

Gas stations	2
Book store (also 1 mention of a library with better hours, free net, free usage)	1
Movie place to bring children	1
Coffee shop	1

What type of businesses are missing in Iroquois Falls that you and/or members of your household would like to see started here? Please indicate your priorities.

This free-form question was posed and 131 responses were fielded (see **Table 7**). This is a great indicator of the businesses that the Iroquois Falls local consumer would really like to have in this community. I have colour-highlighted the opportunities in terms of their ranking in **Number Responding**:

- First: Clothing, kid’s clothing and footwear (37 responses)
- Second: Restaurants (fine dining, children’s and gluten-free) (18 responses)
- Third: Sports (outdoors, camping and surplus) (17 responses)
- Fourth: Furniture (8 responses)

8.0 General Comments

The below-mentioned **Table 8** was the result of a free-form question that was asked to see if there were any comments the public had. It was purposely left open-ended so the public could comment about anything they had issues or compliments about. These comments are unedited and appear as they were written by the public. As such all forms of identification have been removed.

Table 8: Comments

Comments
We need new leadership (Mayor, Councillors)
Would support more gas stations locally if they would have same prices
Open on Monday's
Taxis should run 24hrs on weekends
Decorating committee especially at Christmas to decorate all the trees in Anson Park – could make the park a tourist attraction
Stores with better hours that don't close so early would be great. We have a flower shop, but it closes to early I've never been there
Not too sure – town offers reasonable services for its size and location
Hours, price, variety, convenience
Lower grocery prices, gas
Pharmacies need to be open on Sundays. The variety that it offers for beauty products alone is a reason I would go to Timmins or Cochrane
Iroquois Falls offers nothing of interest and when they do, it's operating hours are a joke
Wood chip plant, medical marijuana plant (anything to replace mill to get our town started again)
Our restaurants need to stay open at night, especially when events are happening
Nice little town, short drive from home, shopping – groceries, dollar store, restaurants are nice too

9.0 The Survey***



Why complete this survey?

Equipped with the direct feedback from this community based survey enables the Town of Iroquois Falls to target and attract popular future retail or service opportunities. Any merchant or potential merchant/service provider considering improving or expanding their business, starting a new business, or focusing on offering a new retail commodity could also benefit from the information contained within this report.

Deadline for submission Friday June 1st, 2018

One survey per household please

Return in person or mail to:

**Chamber of Commerce
723 Synagogue Avenue
P0K 1G0**

~ OR ~

**Town of Iroquois Falls
253 Main Street
P0K 1E0**

OUT OF TOWN - IN PERSON SHOPPING

Do you and/or members of your household shop out of town?

Yes No

How many members of your household shop out of town?

1 2 3 4 5 6 More than 6

How often do members of your household shop out of town?

Daily Weekly Monthly Annually

How much do members of your household spend shopping out of town monthly on average?

\$100-299 \$300-499 \$500-699 \$700-999 More than \$1000

ONLINE SHOPPING

Do you and/or members of your household shop online?

Yes No

How many members of your household shop online?

1 2 3 4 5 6 More than 6

How often do members of your household shop online?

Daily Weekly Monthly Annually Never

How much do members of your household spend shopping online monthly on average?

\$100-299 \$300-499 \$500-699 \$700-999 More than \$1000

Why do members of your household shop out of town or online? Check all that apply.

- For the selection
- For the (customer) service
- For better (store) hours
- For product availability
- For lower prices
- For the convenience

OUT OF TOWN AND ONLINE SHOPPING CATEGORIES

Please estimate how much do members of your household spend shopping online and out of town monthly on average on the following:

Motor vehicles and parts.....	\$ _____	.00
Furniture and home furnishings.....	\$ _____	.00
Electronics and appliances.....	\$ _____	.00
Building material and garden equipment and supplies.....	\$ _____	.00
Food and beverage.....	\$ _____	.00
Health and personal care.....	\$ _____	.00
Gasoline.....	\$ _____	.00
Clothing and clothing accessories.....	\$ _____	.00
Sporting goods, hobby supplies, books and music.....	\$ _____	.00
General merchandise	\$ _____	.00
Non-store retail.....	\$ _____	.00
Electronic and mail order houses.....	\$ _____	.00

What type of business or businesses are missing in Iroquois Falls that you and/or members of your household would like to see started here? Please indicate your priorities:

- 1st priority.....
- 2nd priority.....
- 3rd priority.....
- 4th priority.....

Any comments or suggestions:

.....

THANK YOU!

****The primary source of this Survey's completion and data collection was from patrons attending the Knights of Columbus Tradeshow in May 2018. The Town of Iroquois Falls wishes to thank all those patrons and the other members of the general public that completed the Survey and especially the Chamber of Commerce for administering it at their tradeshow booth!*