

Perth County
Retail Gap Analysis



Final Report
December 2009

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Downtown Mitchell
Hicks House

Introduction

In 2007, the County of Perth and Member Municipalities initiated a Business Retention + Expansion study for the Retail Sector. The results of that study prompted the Economic Development office to identify four key areas of focus for the economic growth and development of Perth County. These priorities are:

1. Downtown Revitalization
2. Retention and expansion of existing businesses
3. Industrial growth and attraction
4. Youth retention and skill development

As a part of the Perth County 3-year Rural Economic Development (RED) project, it was identified that the County would conduct a Retail Gap Analysis study, which would identify the Products, Services and Businesses that should be recruited to our communities.

A Retail Gap Analysis is a technique used to identify the strengths and weaknesses in a local retail market. The analysis identifies key retail issues and concerns, as well as identifying the trends, needs, and wants of consumers. All members of a community have money to spend. Every household is a consumer of retail products as they purchase food, clothing, and other everyday items. If consumers spend in the local community, the economic benefits associated with retail spending, will also remain. Local dollars re-circulate within the local economy, leading to the “multiplier effect”.

It is acknowledged that consumers should not be expected to shop locally for every product or service. Instead, the objective is to help community leaders and business owners understand consumer preferences, which tend to transition over time. The results of this Retail Gap analysis offer current and relevant feedback into the needs and wants of Perth County consumers.

Perth County can achieve it’s goal of Downtown Revitalization and the support of existing businesses through the retention of local retail dollars.



Listowel Downtown

Perth County

The County of Perth, in the centre of southwestern Ontario, was created in January 1850. While the communities of Perth County have undergone amalgamations over the years, the County is currently made up of four member municipalities. The Municipality of North Perth, the Township of Perth East, the Municipality of West Perth, and the Township of Perth South are home to urban centers of Listowel, Atwood, Monkton, Mitchell, Sebringville, Milverton, Millbank, Shakespeare, and St. Pauls.



The Economic Development office has a mandate to work in partnership with the local municipalities, as well as business, industry and other levels of government to advance the County's economic interests and to seek out strategic opportunities to enhance economic growth within the County of Perth.

Methodology

The County of Perth initiated a Retail Gap Analysis study in the Spring of 2009.

While consumers volunteered to participate in the questionnaire process, careful attention was given to ensure that the following issues were addressed in the collection of feedback

- ✓ Adequate representation of consumer from rural areas, as well as small, medium and large communities
- ✓ Consumers included from various urban and rural communities
- ✓ Consumers included from all demographics including age and gender

During the first phase of the project, responses were gathered by filling out a survey at community events. These events included the Milverton Fall Fair, Kirkton Fall Fair, Monkton World Fastball Tournament, Mitchell Fall Fair, Listowel Sidewalk Sale event, Mitchell Cornfest, Milverton Midnight Madness, and the North Perth Home Show.

Questionnaires were also sent home with all Perth County students attending the Avon Maitland District School Board. Both parents and students were encouraged to provide feedback in an online survey.

A total of **1375** questionnaires were completed during the consumer consultation phase of the study.

During the second phase of the project, Focus Groups were held at Mitchell District High School, Listowel District Secondary School, Stratford Northwestern Secondary School, Listowel Upper Deck Youth Center, Mitchell Youth Center, North Perth Early Years Center, and the Mitchell Early Years Center. Approximately **320** people attended these Focus Group sessions.

ALL residents of Perth County were welcome to offer feedback. This provides solid input and direction on improving the retail climate in our communities.

Project Objectives

The County of Perth and its member municipalities have attempted to create a workable economic development plan that would meet the diverse needs of the entire county.

The County had both short-term and long-term objectives regarding this Retail Gap Analysis study.

Short-Term Objectives

- Engage Perth County consumers in dialogue
- Identify Retail Gaps in each community
- Identify how well the retail needs of local residents are being met
- Understand the strengths and weaknesses of the local retail sector
- Uncover unmet demand and possible retail opportunities

Long-Term Objectives

- Identify strategies to combat existing Retail Gaps
- Implement strategies to mitigate Retail Gaps
- Identify community partners to facilitate downtown revitalization
- Reduce Retail Leakage



Milverton Downtown

Summary of Respondents

The following information provides insight into the demographics for consumers which participated in the retail gap analysis.

Demographic Characteristics of Consumers

- 31 % of respondents were Male
- 69% of respondents were Female
- Consumers from the following communities were involved in the consultation process:

Kirkton	Harmony	Amulree
Woodham	St. Pauls	Kurtzville
Broadhagen	Newton	Gowanstown
Bornholm	Millbank	Listowel
Mitchell	Milverton	Trowbridge
St. Columbain	Poole	Atwood
Dublin	Nithburg	Donegal
Staffa	Shakespeare	Monkton
Fullarton	Rostock	Rural points in-between
Russeldale	Gadshill	
Logan	Sebringville	
St. Marys	Stratford	

Figure 1 identifies consumer demographics, by Gender and Age.

Age & Gender Demographics

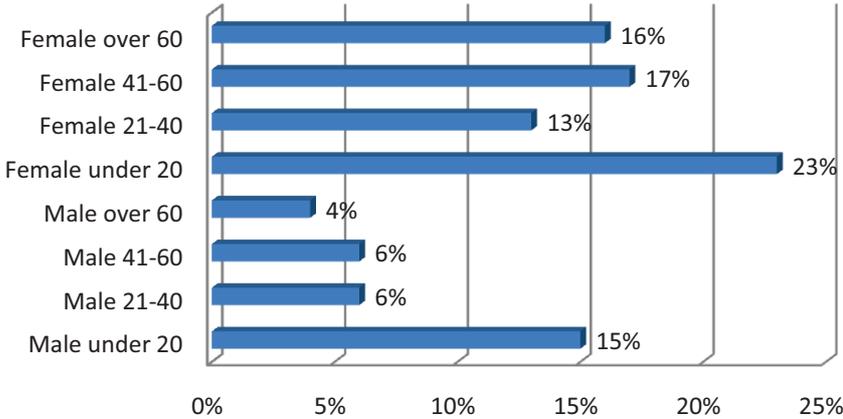


Figure 1

Place of Residence

We asked participants in the Retail Gap Survey to indicate what community they live in or near.

- **Thirty-six percent** of questionnaire responses came from consumers in West Perth
- North Perth made up **31%** of respondents
- A total of **26%** of responses came from Perth East
- The rural communities of Perth South make up **7%** of responses

Figure 2 corresponds with the response from consumers who indicated what shopping destination was closest to their home.

Which Shopping Destination is closest to home?

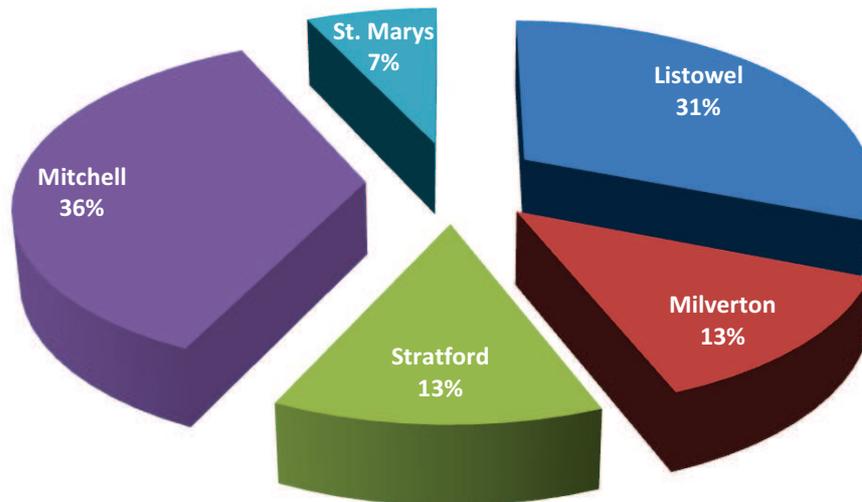


Figure 2

Place of work

Place of work is also an important factor influencing Retail Gaps for a community. Perth County has a workforce of approximately 21,000 employees (includes farmers and self-employed individuals).

Figure 3 identifies commuter flows for Perth County. This data, provided by Statistics Canada, 2006 Census, indicates that 53% of Perth County's labour force works within Perth County. Approximately 18% of Perth County's workforce commutes to Stratford each day, and 9% commute to Waterloo Region.

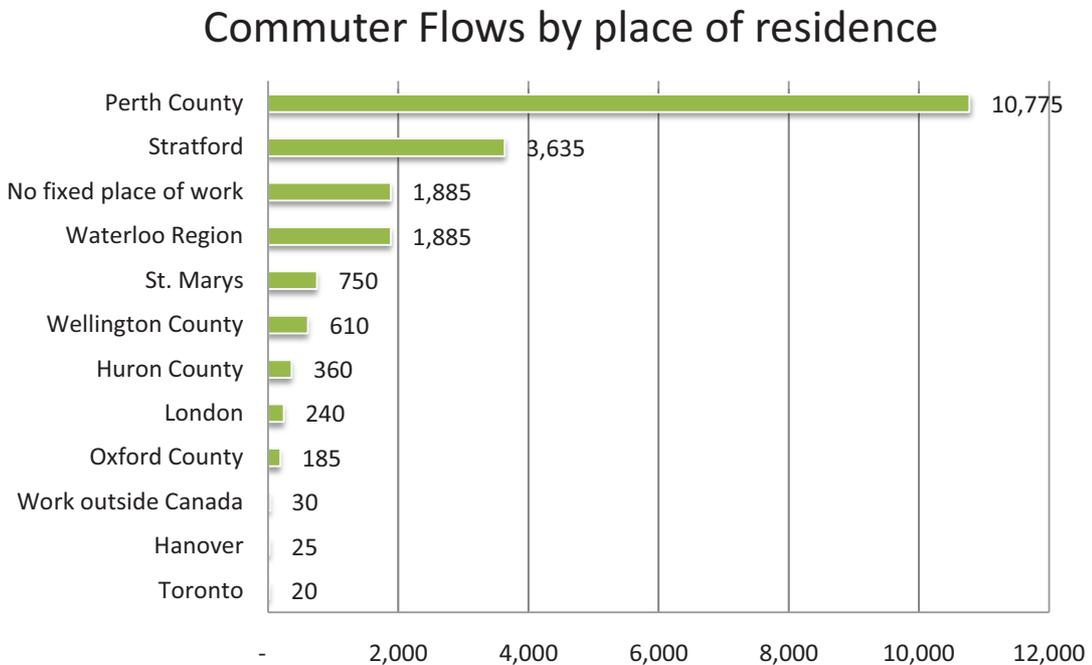


Figure 3

Broken down by municipality, we can determine that:

- In the Municipality of North Perth, **15%** of the workforce commutes to Waterloo Region, **9%** commute to Wellington County, and **5%** commute into Huron County.
- In the Municipality of West Perth, **41%** of the workforce commutes to Stratford, **7%** commute into Huron County, **5%** commute to St. Marys, and **5%** commute to London for work each day
- In the Township of Perth South, **22%** commute to St. Mary's, **8%** commute to Stratford, and **8%** commute into Oxford County.
- The workforce from the Township of Perth East has **23%** commuting to Stratford each day, and **14%** commuting to Waterloo Region for work each day.

Alternatively, less than **2%** of Perth County's workforce commutes in from outside the region for work each day.

How often do you shop in your home community?

Consumers identified the communities of Mitchell and Listowel as their primary shopping destinations for Perth County. Respondents indicated that they shop in their hometown of Mitchell and Listowel most frequently. **Forty-one percent** of West Perth consumers indicated that they shop in Mitchell at least once a week. In North Perth, **37%** of consumers indicated they shop in Listowel at least once a week.

Once a week

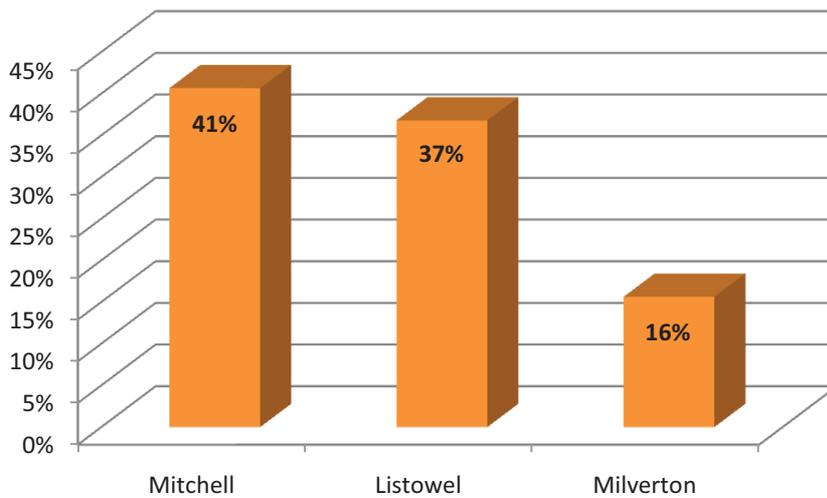


Figure 4

Alternatively, the smaller communities throughout Perth County had a higher percentage of consumers indicate that they 'rarely' shop within their local community. Specifically, Shakespeare, Atwood, Sebringville, and Millbank have fewer local consumers shopping in the community on a weekly and consistent basis.

Rarely

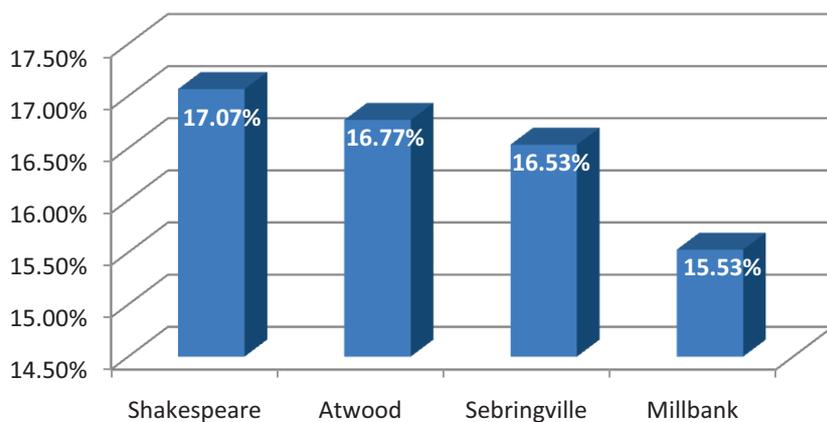


Figure 5

When we asked participants what items they shop for most frequently in their home community, we found that weekly purchases are primarily made up of Groceries, Hardware items, Pharmaceuticals and Beauty products:

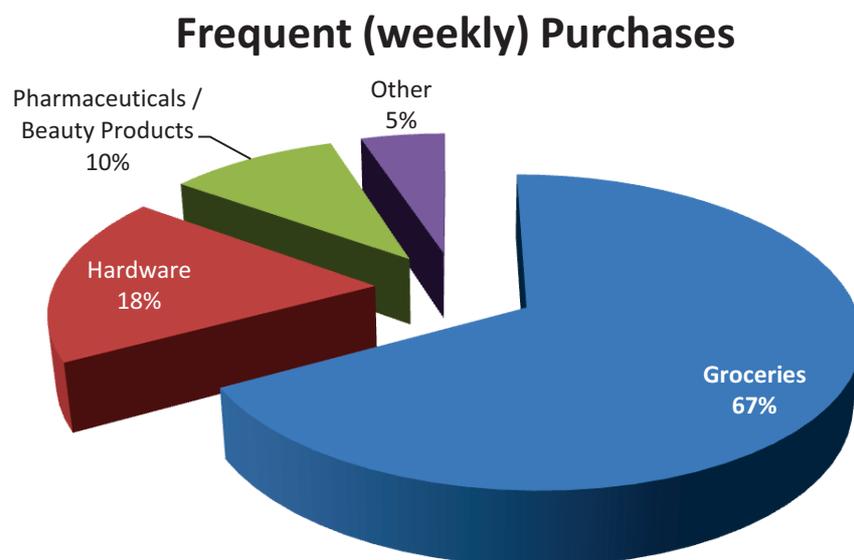


Figure 6

Retail Leakage

Retail Leakage is a term that refers to local consumers who are spending more for products and services than local businesses capture. Retail sales leakage suggests that there is unmet demand in the community and that the community can support additional product and service space for desired businesses.

To determine why Perth County consumers shop out of town, participants were asked “When you shop out of town, what are the reasons why”? Figure 7 shows questionnaire responses

- **44%** of consumers identified that they are not shopping in their home community as they seek out a **wider selection** of products and services.
- **26%** of consumers identified that they are leaving the community to seek out more competitive **pricing**.
- **11%** of consumers have identified **more convenient hours of operation** as a key reason they shop out of town.



Figure 7

Feedback

“I shop out of town to get away from the usual. It is an outing.”

“While I’m in the city, it’s more convenient to stop and shop.”

“I’m looking for a wider variety of restaurants and that leads me out of town.”

“Very few shops carry items for my young family. I have to go to the city to find children’s clothing and toys.”

Hours of Operation

Consumers throughout Perth County indicated that inconsistent Hours of Operation is a deterrent to shopping in their local community. Local retailers are failing to capture local dollars, as consumers drive out of town to seek extended and convenient hours of operation. Consumers who work out of town during the day, also feel forced to shop in their community of work, rather than in the community in which they live. Extended hours which are convenient to consumers is a key influence on Retail Leakage.

Feedback

“It would be nice to shop in my home community, but by the time I get home from work, most shops are closed. When stores close at 5:30pm, it keeps me from shopping locally.”

“I would like to see stores open more than one night a week. I can’t always arrange my schedule around the existing hours.”

“I don’t understand why so many stores are closed on Monday.”

Figure 8 shows the results of the questionnaire indicate that **32%** of consumers would prefer their local shops to remain open on Friday evening after 6:00pm. Staying open on Thursday evening after 6:00pm is the preference of **22%** of respondents. **Twenty (20) percent** of respondents would encourage shops to offer shopping on Sunday afternoon.

Hours of Operation

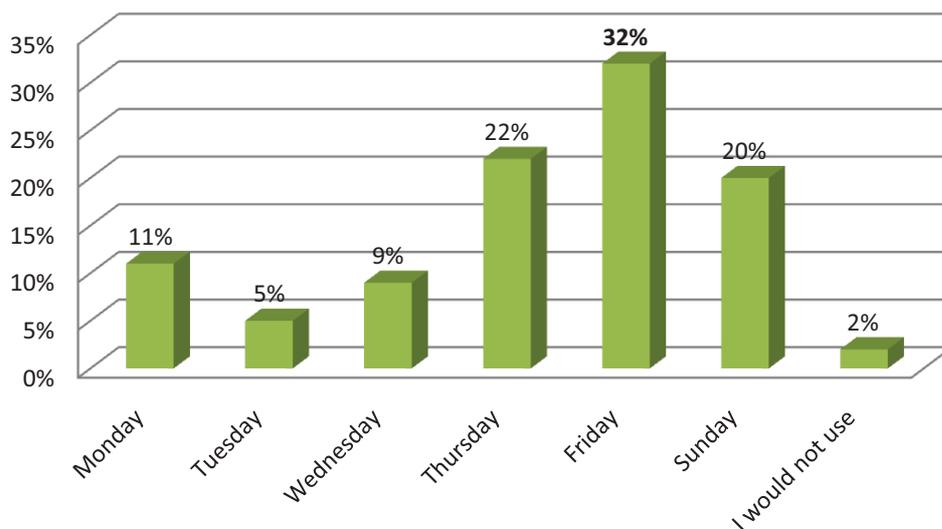


Figure 8

In an effort to determine what Products consumers feel are missing from the local shopping experience, we asked project participants to identify specific products they would like to see in their community.

Figure 9, identifies desired products to complement the existing product mix.

A total of **467** respondents indicated that Shoes were a key product missing from Perth County communities. Specifically, comments were made pertaining to a lack of Children’s shoes, and shoes in the low to mid-price point range.

Almost **300** young people indicated that there is a complete lack of clothing and shoes that suit their interests. Young people are also seeking increased options for Fast Food in their communities.

Young families expressed frustration with a lack of apparel, books, and toys for babies, toddlers, and young children.

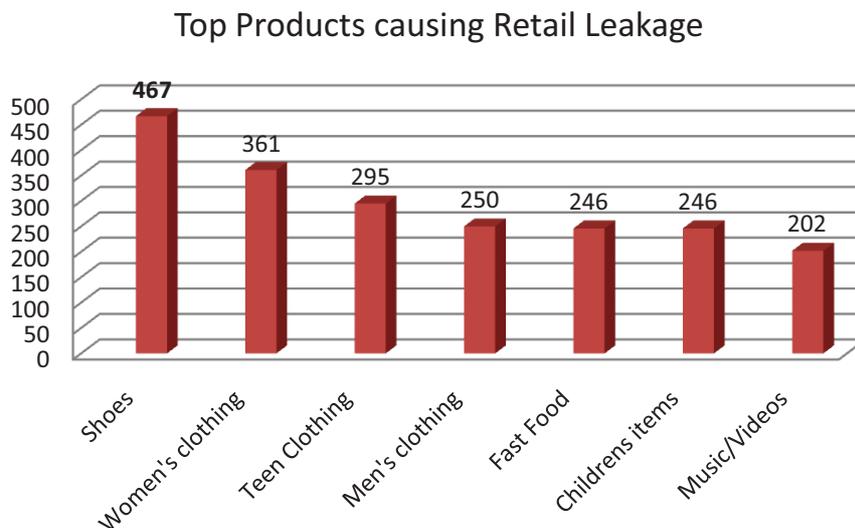


Figure 9

Additional products of interest include:

- Electronics
- Specialty Foods
- Books
- Sporting Goods
- Jewellery and Accessories
- Hardware, Tools, and Building supplies

following products:

- Motor vehicles such as ATVs, Snowmobiles, and Motorcycles
- Office and school supplies
- Beauty products

Consumer Feedback on Retail Product Gaps

Listowel

“Children’s clothing is definitely missing from this community. If I want to find a unique baby gift, I have to drive to Waterloo to find it.”

“There is little selection for Men’s clothing in Listowel. I have to drive to Arthur or Conestoga Mall to find anything I want to wear.”

“I find a lot of downtown retailers rude and unaccommodating. They need to be friendlier.”

“I couldn’t find maternity clothes when I was pregnant, and now I can’t find plus sized clothing in town.”

Mitchell

“Shoes. You can’t find a pair of shoes for sale anywhere in Mitchell.”

“My friends and I always have to go to the malls in London to find anything we would want to wear. Mitchell needs a mall.”

“It would be nice, if WalMart was closer.”

“More unique stores, so not everyone is purchasing the same thing.”

Milverton

“Tim Horton’s. We definitely need a Tim Horton’s”

“a closer WalMart would be nice. Right now I have to drive 30 minutes to get there.”

Youth

“I’d like to shop for hunting and fishing equipment.”

“Music, CD’s, e-games, and other electronic stuff. Can’t find it anywhere in town.”

“Hockey equipment, sporting goods, speciality foods...they are all missing here.”

Activities

Consumers repeatedly indicated that Products alone are not the reason for leaving their home community. Consumers indicated that Services and community activities are also lacking in Perth County.

Figure 10, indicates what Activities and Services would complement Products in the community.

Activities influencing Retail Leakage

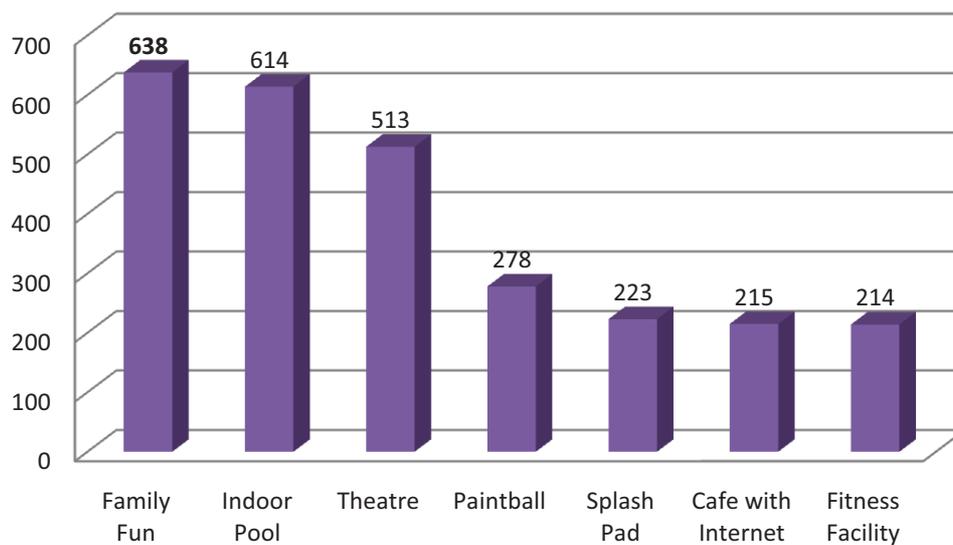


Figure 10

A total of **638** respondents indicated that more Family Fun activities were needed throughout Perth County. Suggestions included Mini-Golf, Batting cages, Bowling, and other family appropriate activities.

The second highest response came from **614** consumers who indicated that an Indoor Pool was needed in Perth County. Over half of these responses were received in the community of Listowel.

Young people indicated that there is a complete lack of interesting activities designed specifically for youth.

Consumer Feedback on Activity Gaps Listowel

“The idea of an indoor pool keeps coming up, but we still don’t have one in Listowel.”

"It's time for a multi-purpose recreation facility in Listowel. An Indoor pool, Ice pads, walking track....It would be something that appeals to all age groups, from children to seniors."

"We need a new arena."

"A dance studio would be nice. If we had one in town, I wouldn't have to drive to Waterloo to take my kids to class each week."

Mitchell

"We need more bike trails to compliment the nature trails and wetlands."

"It would be nice to have an additional ice pad in town."

"Why don't we have any organized activities for kids over March Break and Christmas Holidays?"

"It would be really nice to have the Theatre back in town."

"We need a better senior's centre."

Milverton

"I'd like a Splashpad."

"A nice pub would be welcomed....a place to hang out after work or the hockey game."

"A Golf course nearby would be nice. Add in mini-golf and it would be a place for the whole family."

Youth

"More hiking and cycling trails would be great."

"I don't know why no one has ever organized a concert in the park. That would be a lot of fun."

"We should have a cafe with internet access. We need a place to hang out, visit, and it would be great if we could go online."

"Community concerts or teen dances."

"A good quality outdoor Basketball court would be good."

Recommendations

Recommendation # 1

Retail merchants have an opportunity to expand products and services to local consumers. Business associations have the opportunity to promote price comparisons and opportunities for cost savings by shopping in the local community.

Recommendation # 2

Retail merchants and business associations have an opportunity to join together and offer convenient Hours of Operation which meet the needs of the local community.

Recommendation # 3

Retail merchants can expand their merchandise and market products, to include products more desirable for youth and young families.

Recommendation # 4

There are business opportunities in the recreation and family fun sector. Many ideas have been suggested for an entrepreneur to invest in.

Recommendation # 5

The municipality/economic development office can work to attract the following business, brands and franchises to Perth County:

- American Eagle
- Garage
- Stitches
- Coffee Culture
- Tim Horton's for Milverton
- H&M Clothing
- Home Depot
- Northern Reflections
- Old Navy
- Guess
- Chapters
- Canadian Tire
- Movie Theatre (Mitchell)

Recommendation # 6

Retail merchants and service providers can entice youth to shop locally by:

- Staying open later into the evening
- Offering student discounts
- Offering a more relaxed atmosphere, especially in professional offices
- Playing music in the downtown

Project Team

The Retail Gap Analysis Team was made up of representatives of the Perth County Economic Development Office. Special thanks to:

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Mandy Sebok
Mary Cobb
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Mitchell Downtown



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