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## **Weyburn Retail Market Analysis**

**November 2012**

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## **1.0 Introductory Information**

### **1.1 Objective**

The objective of this analysis is to provide the South East Regional Economic Development Authority and individuals with data which will assist them in conducting retail market viability studies and investment attraction activities. The analysis identifies specific underperforming sectors of the local retail landscape and estimates the potential annual sales size.

### **1.2 Executive Summary**

This study provides data that measures the potential of retail business opportunities in the City of Weyburn, based on capturing and increasing the \$260 million (2012 estimates) in retail expenditures that are currently spent by Weyburn households and visitors.

Retail spending leakage to other communities and comparative analysis with other cities provides a strong understanding of where the retail sector in Weyburn performs well and where new opportunities may exist. Projections indicating the retail sales required to meet consumer demand 2021 will assist new and existing businesses to define their market and expand and/or make changes to meet consumer's needs.

It is also evident that Wal-Mart and Canadian Tire account for a large portion of spending in Weyburn with more than 40 cents of every retail dollar spent in the General Merchandise and Department Store sector. This percentage of retail sales to department stores was larger than comparatives.

As the mix of products available in department stores crosses many retail categories, the potential sales opportunities in some retail sectors is understated and may be increased by attracting customers away from the department stores.

### 1.3 Area Overview

The City of Weyburn had a total population of 10,484 in 2011 according to Statistics Canada. This population is used throughout the report unless otherwise noted. According to [www.weyburn.net](http://www.weyburn.net), the trading area population reaches as high as 50,000. A trading market analysis using the cities of Estevan, Regina, and Moose Jaw as bordering retail trade areas suggests a trading population of approximately 24,311. The retail power of bordering cities likely limits Weyburn's retail trading area to approximately a 40km radius of the city to the North and South, but the lack of competition to the East extends its market reach.

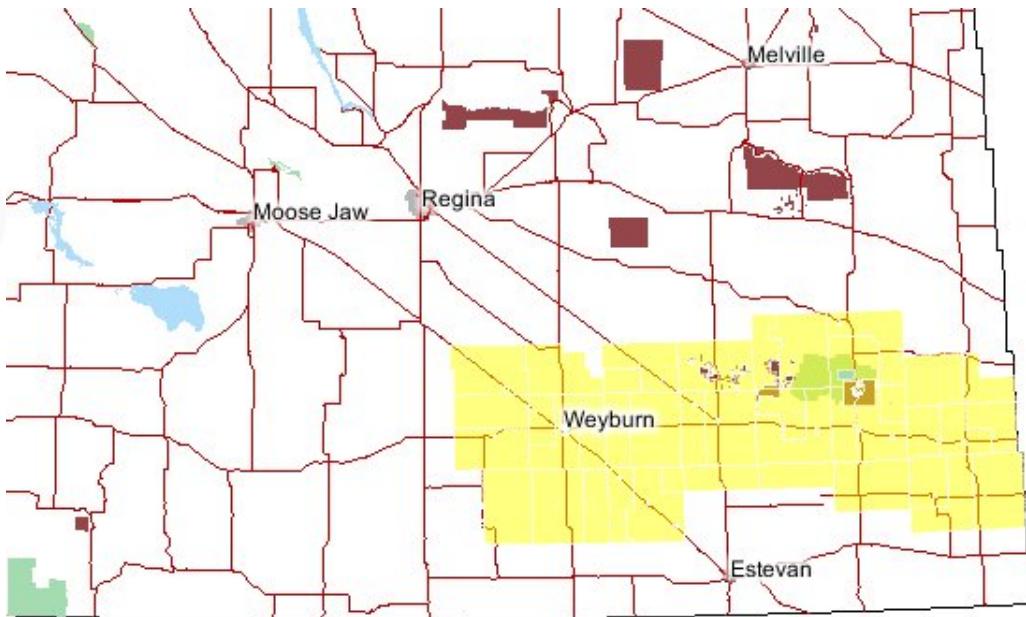
By applying Reilly's Law of Retail Gravitation, the pull or attraction of the Weyburn retail sector can be calculated in comparison to other communities. According to the Reilly's Law, an individual 25.27 km away from Weyburn and 90.73 km away from Regina would shop equally in the two communities. An individual 22.18km away from Weyburn and 63.82 km away from Estevan would shop equally in the two communities.

$$B_a/B_b = (P_a/P_b) * (D_b/D_a)^{\text{square}}$$

$$D_{ab} = \frac{d}{1 + \sqrt{(P_b/P_a)}}$$

	Retail Sales \$MM	Distance	Turning Point
Regina	3353	116	90.73
Weyburn	260		
Estevan	389	86	63.82
Weyburn	260		

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www.saskbiz.ca

### 1.4 Retail Spending Patterns

Using Reilly's law, it is possible to estimate how larger retail centres impact spending in Weyburn. The determination is based on two factors: distance or effort required to access the retail centre and the size of the retail centre. The initial key centres of leakage for Weyburn are Regina, Estevan, Williston, Minot, and Moose Jaw.

City	Population	Retail Sales \$MM	Distance	Formula	Sales	Percentage
Regina	193100	3353	116	0.249183	29.97586037	11.53%
Estevan	11054	389	86	0.052596	6.327130338	2.43%
Moose Jaw	33274	777	150	0.034533	4.154249562	1.60%
Williston	16006	259	185	0.007568	0.910354177	0.35%
Minot	42485	912	277	0.011886	1.429846387	0.55%
Weyburn	10484	260	12	1.805556	217.2025592	83.54%

[http://www.clrsearch.com/Minot\\_Demographics/ND/Retail-Sales-Statistics](http://www.clrsearch.com/Minot_Demographics/ND/Retail-Sales-Statistics)

## Weyburn Retail Market Analysis

Statistics Canada

<http://www.statcan.gc.ca/pub/11-626-x/2012003/c-g/c-g01-eng.htm>

Leakage does not normally occur in a meaningful way for short term consumables such as groceries, so the majority of purchases to other markets are for higher priced and more specialized goods.

The first analysis does not account for traffic patterns or for the attractiveness of the American shopping experience. Research indicates that a bundle of goods selling for \$1.00 in Canada sells for \$.72 in the United States. Moose Jaw and Estevan are not primary shopping destinations due to traffic patterns. In general, shoppers pick Regina over Moose Jaw. Estevan is not a destination for most Weyburn residents; it is a stop on the way to American shopping if at all. The retail market in dollars (adjusted \$MM) has been adjusted to reflect the bundle of goods at \$.72 and distance altered as a result of price elasticity suggesting that a reducer of 220% be attached to American destinations.

City	Population	Adjusted \$MM	Distance	Formula	Sales	Percentage
Regina	193100	3353	116	0.249183	28.64319442	11.02%
Williston	16006	570	84	0.080579	9.262500098	3.56%
Minot	42485	2006	126	0.126562	14.54813152	5.60%
Weyburn	10484	260	12	1.805556	207.546174	79.83%

<http://www.statcan.gc.ca/pub/11-626-x/2012003/c-g/c-g02-eng.htm>

<http://swopec.hhs.se/hastef/papers/hastef0587.pdf>

## 2.0 Resident Profile

### 2.1 Population

The City of Weyburn has a population of 10,484 as at 2011, a population growth of 11% over the 2006 census.

<http://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-csd-eng.cfm?Lang=Eng&TAB=1&GK=CSD&GC=4702047>

### 2.2 Population Growth

Using the 11% average growth for Weyburn, the population and retail spending (unadjusted and adjusted for inflation) have been projected for 2016 and 2021. This projection assumes no change in the retail offerings available in the communities and no changes in competing communities that would negatively impact Weyburn.

### 2.3 Retail Spending Growth

Retail spending reflects the population increases as well as conservative inflation of 2%. By 2016 retail spending is expected to reach \$319MM when adjusted for inflation. By 2021, the retail spending reaches \$390MM inflation adjusted. The impact of this increase can be modeled on Weyburn retail spending categories to better understand the opportunities available in the near term.

Retail Spending Growth - 2% Inflation

11% Sustained Population Growth

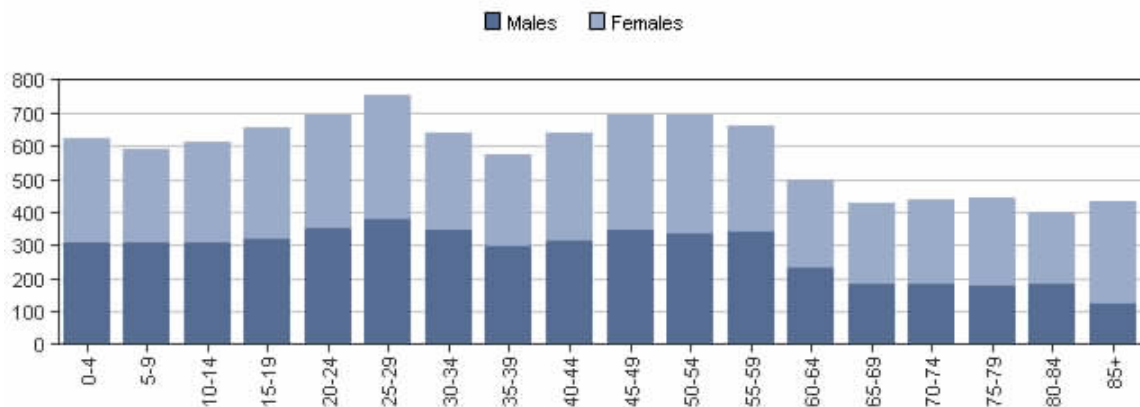
	\$MM
2011	260
2016	319
2021	390

### 3.0 Demographics

#### 3.1 Demographics

Weyburn has benefited from the resource boom in the Saskatchewan economy. While growth may be reduced due to spill over effects of the American recession, the fundamentals of the economy, a mix of resources, agriculture, processing, and tourism will encourage sustained growth.

Weyburn is among the youngest cities in Saskatchewan. A chart displaying the age distribution of Weyburn CA population from the 2011 Census is displayed below.



Population distribution under the age of 60 is fairly uniform in the Weyburn CA with the populations of young workers (20 to 29) and Baby Boomers (45 to 59) composing the largest populations for retail opportunities.

#### 3.2 Households

According to Statistics Canada, there were 4480 households in Weyburn in 2011. The average number of people per household is 2.34. Using the same number of persons per households at 2.34, would create an estimated 10,389 households based on a total primary trading area population of 24,311.



### 3.3 Incomes

Average Household Income in Weyburn is much higher than the National Average with only incomes in Estevan and Lloydminster higher in the comparison group.

Region/Area	% +/-National Avg	2010 Avg Hhld. Income \$	2010 Per Capita \$	2012 Proj Per Capita	2015 Proj Per Capita	Income Rating Index
Estevan	19	91137	38372	42845	49676	119
Lloydminster	30	110696	42022	45483	50597	130
Moose Jaw	-10	67774	29032	32402	37558	90
Regina	12	84828	35978	40253	46792	112
Swift Current	-2	71312	31633	34978	40012	98
Weyburn	16	85731	37400	41835	48854	116
Yorkton	-12	64080	28395	31709	36902	88

The total disposable income and discretionary incomes are higher than other comparatives with the exception of Lloydminster and Estevan indicating considerable purchasing power.

Region/Area	Disposable Income per Hhld. \$	Discretionary Income per Hhld. \$
Estevan	69417	25412
Lloydminster	84867	32431
Moose Jaw	52591	17567
Regina	64578	23622
Swift Current	55259	18432
Weyburn	64982	22833
Yorkton	49765	16372

According to Financial Post Data:

*Discretionary Income - Refers to the household income that is left after federal and provincial taxes, statutory deductions (e.g., CPP/QPP, EI), and necessities have been met. Pitney Bowes Business Insight has defined the following “necessities” as part of its Discretionary Income product: food, housing (only principal accommodation expenditures, utilities, maintenance, and property taxes), transportation (less airline fares), apparel (less jewellery) and health care expenditures.*

*Disposable Income - Refers to the household income that is left after federal and provincial income tax deductions as well as statutory deductions (e.g., CPP/QPP, EI).*

### 3.4 Household Expenditures

Household expenditures vary widely on a dollar basis, but are much more consistent when percentage of total expenditures is compared. In general, consumers with higher amounts on income spend more in each expenditure category.

Region/Area	Food \$	Shelter \$	Clothing \$	Transportation \$	Health & Personal Care \$	Recr'n, Read'g & Education \$	Taxes & Securities \$	Other \$	Total Expenditures \$
Estevan	8930	15345	3558	11864	3621	7403	21010	12862	84593
Lloydminster	10269	18263	3887	14878	4379	8572	24729	14449	99425
Moose Jaw	7461	12579	2722	9094	2920	5432	15826	10245	66279
Regina	8312	15161	3224	10405	3148	6662	21208	11363	79483
Swift Current	7944	13023	2790	9714	3207	5503	15849	11053	69082
Weyburn	8698	14833	3316	11347	3490	6769	19338	12294	80086
Yorkton	7244	11634	2633	9010	2891	5047	14677	10209	63345

## 4.0 Retail Analysis

### 4.1 Methodology

The Retail analysis will provide an outline and assessment of retail supply conditions in this market. The information is intended to provide a retailer or developer with an understanding of the area and its demographics and some basics required to evaluate the potential sales at a proposed new location. Demand for retail goods sold is a function of the trade area population, visitors, and average consumer spending.

Retail analysis uses two basic methods to determine retail performance and opportunities: Retail Space and Retail Sales. Retail space by sector and totaled by community can be used for comparative analysis with similar communities, but is often misleading as square footage does not correlate to sales performance. The retail sales approach uses more readily available sector information, but does not always provide specific retail opportunity identification because of the way information is now collected and dispersed due to privacy laws. Putting square footage and sales performance together through a retail survey can produce the most accurate assessment, but this is an expensive and exhausting process. Proprietors may also have disincentive to report actual sales figures and issues of privacy may interfere with the assessment process.

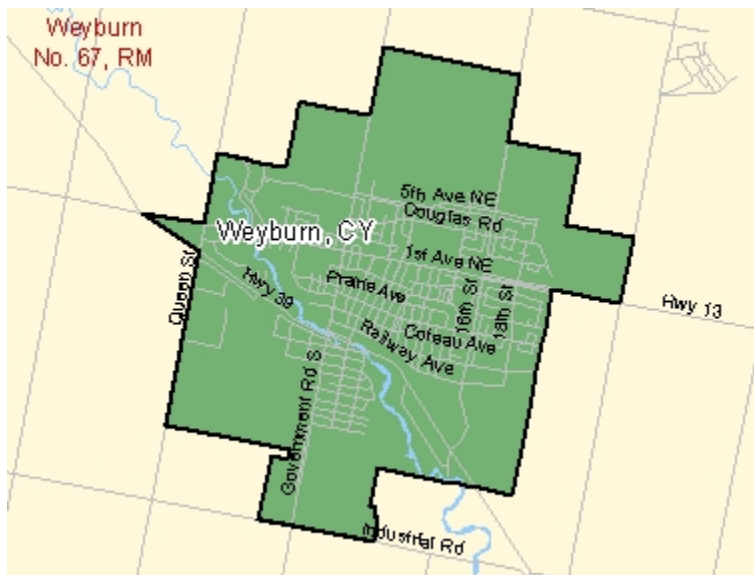
In this study, opportunities are identified through comparative analysis using 2010 base data that determines the performance of retail sectors sales against similar urban centres. This comparative analysis determines areas where there may be proportionately less or more sales and where gaps or opportunities in the market may exist. The comparative analysis also provides some indication where leakage may be occurring in a community (usually the underserved sectors).

Some opportunities may still be too small to support a single retailer. Other opportunities may be underestimated due to higher than comparative department store

sales. In many sectors a specialty retailer will still face direct competition from a department store, but this can be overcome with greater product knowledge and offerings.

#### 4.2 Retail Space Locations

Retail Space in Weyburn is spread out over a number of primary areas with most retail occurring in the downtown district (along Railway Avenue) or along Highway 39. The map below provides an overview of residential and retail areas in the City.



#### 4.3 Comparative Analysis

Comparative Analysis was conducted using Financial Post Data and included the cities of Estevan, Lloydminster, Moose Jaw, Regina, Swift Current, Weyburn, and Yorkton. Due to privacy legislation, concise retail information is unavailable from data sources (which rely on information provided by Statistics Canada). Individual SIC code data is available for Toronto, Montreal, and Vancouver from Statistics Canada, but even at that level some of the information is suppressed.

## Weyburn Retail Market Analysis

The Retail Sectors are broken down into broad categories and some further extrapolation using other data sources has been conducted to yield more in-depth results. The broad categories are as follows:

Total Sales  
New Car, Used, Recreational Motor Vehicle & Parts Dealers  
Gasoline Stations  
Furniture Stores  
Home Furnishings Stores  
Computer & Software Stores  
Home Electronics & Appliance Stores  
Home Centres, Hardware, Specialized Building Materials & Garden Stores  
Supermarkets  
Convenience & Specialty Food Stores  
Beer, Wine & Liquor Stores  
Pharmacies & Personal Care Stores  
Clothing Stores  
Shoe, Clothing Accessories & Jewellery Stores  
Department & Other General Merchandise Stores  
Sporting Goods, Hobby, Music & Book Stores  
Miscellaneous Store Retail

Each broad category was compared to the other cities in the study. Total sales were then divided by a per capita number to normalize the sales level in each category. The difference at the per capita level was then multiplied by the Weyburn population to determine sales performance in each category. In the analysis the underperforming sectors (and probable opportunities) show up as numbers in negative because they represent a deficit in sale volume compared to other communities. All of the analysis was income adjusted so that higher or lower incomes of comparison cities could be normalized to Weyburn's income level.

The following chart shows underperforming retail sectors and the total sales in millions that Weyburn lags behind comparatives (adjusted to 2012 levels):

## Weyburn Retail Market Analysis

Weyburn Market Opportunities	2010	2012 Growth
Income Adjustment	1.092332256	1.062525541
Total Sales \$m	-\$17,983,925	-\$19,108,380
New/Used Cars, Rec. Vehicles, Parts \$m	-\$21,822,910	-\$23,187,400
Gas Stations \$m	-\$18,383,896	-\$19,533,359
Home Furnishings \$m	-\$1,831,980	-\$1,946,525
Home Electronics & Appliance \$m	-\$4,411,208	-\$4,687,021
Supermarkets \$m	-\$19,159,319	-\$20,357,266
Beer, Wine, Liquor \$m	-\$2,471,931	-\$2,626,490
Pharmacies, Personal Care \$m	-\$73,080	-\$77,650
Clothing \$m	-\$2,066,700	-\$2,195,922
Sporting, Hobby, Music & Book \$m	-\$686,391	-\$729,308
Miscellaneous \$m	-\$3,227,952	-\$3,429,781
	-\$74,135,367	-\$78,770,721

These underperforming sectors are areas where money is likely being spent and captured elsewhere. Not all of the retail sales in the above sector occur outside of Weyburn as some of the sales will be absorbed by strong performing department stores. As some of the cities are along Highway 1, their gasoline sales levels may skew results. Supermarket sales are surprisingly weak given customers are less likely to travel outside their primary trading area for items which are quickly consumable.

There are other retail sectors where Weyburn outperforms the comparatives:

Weyburn Strong Performing Sectors	2010	2012 Growth
Income Adjustment	1.092332256	1.062525541
Total Sales \$m	-\$17,983,925	-\$19,108,380
Furniture \$m	\$1,840,741	\$1,955,834
Computer & Software \$m	\$10,840	\$11,517
Home Centres, Hardware, etc. \$m	\$8,908,256	\$9,465,250
Convenience & Specialty Foods \$m	\$1,993,546	\$2,118,194
Shoe, Cloth. Access. & Jewellery \$m	\$1,233,671	\$1,310,807
General Merchandise \$m	\$41,820,655	\$44,435,514

The largest contributors to sales in Department & Other General Merchandise Stores are Wal-Mart and Canadian Tire. Total sales in the Department Store Sector in Weyburn are \$97.5MM (\$103.6 in 2012). Four in every ten dollars in Weyburn is spent in this sector (40% of all retail easily the highest of all comparative cities). The charts below

*Weyburn Retail Market Analysis*

show Weyburn retail sales sectors compared to Estevan, Lloydminster, Moose Jaw Regina, Swift Current Yorkton, , and the average of all the comparatives using 2010 data to ensure consistency between the comparison cities.

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## Weyburn Retail Market Analysis

Region/Area	Estevan	Per Capita	Weyburn	Per Capita	Per Capita Gap	Market Gap	Income Adjusted
Population	11054		10484		Gap		0.97466903
Total Sales \$m	359.9	32558.35	244.7	23340.33	-9218.02	-\$96,641,741	-\$94,193,711
New/Used Cars, Rec. Vehicles, Parts \$m	80.3	7264.34	49.9	4759.63	-2504.70	-\$26,259,327	-\$25,594,153
Gas Stations \$m	39.3	3555.27	16.5	1573.83	-1981.45	-\$20,773,494	-\$20,247,281
Furniture \$m	5.4	488.51	5.1	486.46	-2.06	-\$21,549	-\$21,003
Home Furnishings \$m	2	180.93	1	95.38	-85.55	-\$896,870	-\$874,151
Computer & Software \$m	0.3	27.14	0.4	38.15	11.01	\$115,470	\$112,545
Home Electronics & Appliance \$m	5.2	470.42	1.7	162.15	-308.27	-\$3,231,862	-\$3,149,996
Home Centres, Hardware, etc. \$m	19.4	1755.02	25.7	2451.35	696.33	\$7,300,362	\$7,115,437
Supermarkets \$m	62.8	5681.20	13.6	1297.21	-4383.99	-\$45,961,715	-\$44,797,460
Convenience & Specialty Foods \$m	2.3	208.07	3.7	352.92	144.85	\$1,518,600	\$1,480,132
Beer, Wine, Liquor \$m	4.3	389.00	2.5	238.46	-150.54	-\$1,578,270	-\$1,538,291
Pharmacies, Personal Care \$m	33.4	3021.53	14.4	1373.52	-1648.01	-\$17,277,728	-\$16,840,066
Clothing \$m	6.7	606.12	3.8	362.46	-243.66	-\$2,554,514	-\$2,489,806
Shoe, Cloth. Access. & Jewellery \$m	2	180.93	3.6	343.38	162.45	\$1,703,130	\$1,659,988
General Merchandise \$m	93	8413.24	97.5	9299.89	886.64	\$9,295,549	\$9,060,084
Sporting, Hobby, Music & Book \$m	1	90.46	2.3	219.38	128.92	\$1,351,565	\$1,317,329
Miscellaneous \$m	2.5	226.16	2.7	257.54	31.37	\$328,913	\$320,581



## Weyburn Retail Market Analysis

Region/Area	Lloydminster	Per Capita	Weyburn	Per Capita	Per Capita	Market Gap	Income Adjusted
Population	18032		10484		Gap		0.890009995
Total Sales \$m	664.2	36834.52	244.7	23340.33	-13494.19	\$141,473,070	-\$125,912,446
New/Used Cars, Rec. Vehicles, Parts \$m	238.2	13209.85	49.9	4759.63	-8450.22	-\$88,592,059	-\$78,847,818
Gas Stations \$m	65.8	3649.07	16.5	1573.83	-2075.24	-\$21,756,832	-\$19,363,798
Furniture \$m	10.1	560.12	5.1	486.46	-73.66	-\$772,249	-\$687,310
Home Furnishings \$m	5.8	321.65	1	95.38	-226.27	-\$2,372,183	-\$2,111,266
Computer & Software \$m	0.8	44.37	0.4	38.15	-6.21	-\$65,129	-\$57,965
Home Electronics & Appliance \$m	11.5	637.76	1.7	162.15	-475.60	-\$4,986,224	-\$4,437,790
Home Centres, Hardware, etc. \$m	57.7	3199.87	25.7	2451.35	-748.51	-\$7,847,405	-\$6,984,269
Supermarkets \$m	57.5	3188.78	13.6	1297.21	-1891.56	-\$19,831,122	-\$17,649,897
Convenience & Specialty Foods \$m	3.8	210.74	3.7	352.92	142.18	\$1,490,639	\$1,326,683
Beer, Wine, Liquor \$m	15	831.85	2.5	238.46	-593.40	-\$6,221,162	-\$5,536,897
Pharmacies, Personal Care \$m	22.6	1253.33	14.4	1373.52	120.19	\$1,260,115	\$1,121,515
Clothing \$m	16.8	931.68	3.8	362.46	-569.22	-\$5,967,702	-\$5,311,314
Shoe, Cloth. Access. & Jewellery \$m	8.2	454.75	3.6	343.38	-111.37	-\$1,167,569	-\$1,039,148
General Merchandise \$m	116.1	6438.55	97.5	9299.89	2861.33	\$29,998,203	\$26,698,701
Sporting, Hobby, Music & Book \$m	8.2	454.75	2.3	219.38	-235.37	-\$2,467,569	-\$2,196,161
Miscellaneous \$m	26.1	1447.43	2.7	257.54	-1189.89	-\$12,474,823	-\$11,102,717

## Weyburn Retail Market Analysis

Region/Area	Moose Jaw	Per Capita	Weyburn	Per Capita	Per Capita	Market Gap	Income Adjusted
Population	33274		10484		Gap		1.288233673
Total Sales \$m	712.9	21425.14	244.7	23340.33	1915.19	\$20,078,866	\$25,866,272
New/Used Cars, Rec. Vehicles, Parts \$m	165.5	4973.85	49.9	4759.63	-214.22	-\$2,245,880	-\$2,893,218
Gas Stations \$m	99.4	2987.32	16.5	1573.83	-1413.49	-\$14,819,036	-\$19,090,381
Furniture \$m	6.1	183.33	5.1	486.46	303.13	\$3,178,007	\$4,094,015
Home Furnishings \$m	4.8	144.26	1	95.38	-48.87	-\$512,388	-\$660,076
Computer & Software \$m	0.8	24.04	0.4	38.15	14.11	\$147,935	\$190,575
Home Electronics & Appliance \$m	9.3	279.50	1.7	162.15	-117.35	-\$1,230,252	-\$1,584,852
Home Centres, Hardware, etc. \$m	41	1232.19	25.7	2451.35	1219.16	\$12,781,685	\$16,465,798
Supermarkets \$m	94.3	2834.04	13.6	1297.21	-1536.83	-\$16,112,124	-\$20,756,180
Convenience & Specialty Foods \$m	5.5	165.29	3.7	352.92	187.62	\$1,967,055	\$2,534,027
Beer, Wine, Liquor \$m	8.3	249.44	2.5	238.46	-10.99	-\$115,171	-\$148,367
Pharmacies, Personal Care \$m	27.7	832.48	14.4	1373.52	541.04	\$5,672,261	\$7,307,197
Clothing \$m	12.1	363.65	3.8	362.46	-1.19	-\$12,478	-\$16,075
Shoe, Cloth. Access. & Jewellery \$m	6.8	204.36	3.6	343.38	139.02	\$1,457,450	\$1,877,537
General Merchandise \$m	205.3	6169.98	97.5	9299.89	3129.90	\$32,813,903	\$42,271,974
Sporting, Hobby, Music & Book \$m	7.3	219.39	2.3	219.38	-0.01	-\$90	-\$116
Miscellaneous \$m	18.6	559.00	2.7	257.54	-301.46	-\$3,160,504	-\$4,071,467

## Weyburn Retail Market Analysis

Region/Area	Regina	Per Capita	Weyburn	Per Capita	Per Capita	Market Gap	Income Adjusted
Population	193100		10484		Gap		1.039524154
Total Sales \$m	2933.5	15191.61	244.7	23340.33	8148.72	\$85,431,155	\$88,807,749
New/Used Cars, Rec. Vehicles, Parts \$m	874	4526.15	49.9	4759.63	233.48	\$2,447,820	\$2,544,568
Gas Stations \$m	251.4	1301.92	16.5	1573.83	271.91	\$2,850,712	\$2,963,384
Furniture \$m	54.7	283.27	5.1	486.46	203.18	\$2,130,167	\$2,214,360
Home Furnishings \$m	54.9	284.31	1	95.38	-188.93	-\$1,980,692	-\$2,058,977
Computer & Software \$m	13.9	71.98	0.4	38.15	-33.83	-\$354,674	-\$368,692
Home Electronics & Appliance \$m	157.9	817.71	1.7	162.15	-655.56	-\$6,872,882	-\$7,144,527
Home Centres, Hardware, etc. \$m	195.1	1010.36	25.7	2451.35	1441.00	\$15,107,414	\$15,704,522
Supermarkets \$m	267.3	1384.26	13.6	1297.21	-87.04	-\$912,549	-\$948,617
Convenience & Specialty Foods \$m	27.2	140.86	3.7	352.92	212.06	\$2,223,227	\$2,311,099
Beer, Wine, Liquor \$m	105.1	544.28	2.5	238.46	-305.82	-\$3,206,206	-\$3,332,929
Pharmacies, Personal Care \$m	141.6	733.30	14.4	1373.52	640.22	\$6,712,095	\$6,977,385
Clothing \$m	104.1	539.10	3.8	362.46	-176.64	-\$1,851,913	-\$1,925,108
Shoe, Cloth. Access. & Jewellery \$m	35.6	184.36	3.6	343.38	159.02	\$1,667,165	\$1,733,058
General Merchandise \$m	492.1	2548.42	97.5	9299.89	6751.47	\$70,782,359	\$73,579,972
Sporting, Hobby, Music & Book \$m	70.6	365.61	2.3	219.38	-146.23	-\$1,533,094	-\$1,593,688
Miscellaneous \$m	88	455.72	2.7	257.54	-198.19	-\$2,077,794	-\$2,159,917

## Weyburn Retail Market Analysis

Region/Area	Swift Current	Per Capita	Weyburn	Per Capita	Per Capita	Market Gap	Income Adjusted
Population	17535		10484		Gap		1.182309613
Total Sales \$m	359.8	20518.96	244.7	23340.33	2821.37	\$29,579,202	\$34,971,774
New/Used Cars, Rec. Vehicles, Parts \$m	59.7	3404.62	49.9	4759.63	1355.01	\$14,205,971	\$16,795,856
Gas Stations \$m	103.9	5925.29	16.5	1573.83	-4351.47	-\$45,620,764	-\$53,937,868
Furniture \$m	2.7	153.98	5.1	486.46	332.48	\$3,485,697	\$4,121,173
Home Furnishings \$m	6.5	370.69	1	95.38	-275.30	-\$2,886,285	-\$3,412,482
Computer & Software \$m	0.4	22.81	0.4	38.15	15.34	\$160,844	\$190,167
Home Electronics & Appliance \$m	9.3	530.37	1.7	162.15	-368.22	-\$3,860,376	-\$4,564,160
Home Centres, Hardware, etc. \$m	26.4	1505.56	25.7	2451.35	945.79	\$9,915,706	\$11,723,434
Supermarkets \$m	18	1026.52	13.6	1297.21	270.70	\$2,837,981	\$3,355,372
Convenience & Specialty Foods \$m	3.7	211.01	3.7	352.92	141.91	\$1,487,807	\$1,759,049
Beer, Wine, Liquor \$m	4.3	245.22	2.5	238.46	-6.77	-\$70,927	-\$83,857
Pharmacies, Personal Care \$m	26.9	1534.07	14.4	1373.52	-160.55	-\$1,683,239	-\$1,990,110
Clothing \$m	5	285.14	3.8	362.46	77.31	\$810,550	\$958,321
Shoe, Cloth. Access. & Jewellery \$m	2.6	148.27	3.6	343.38	195.11	\$2,045,486	\$2,418,398
General Merchandise \$m	81.9	4670.66	97.5	9299.89	4629.23	\$48,532,814	\$57,380,813
Sporting, Hobby, Music & Book \$m	3.8	216.71	2.3	219.38	2.67	\$28,018	\$33,126
Miscellaneous \$m	4.9	279.44	2.7	257.54	-21.91	-\$229,661	-\$271,530

## Weyburn Retail Market Analysis

Region/Area	Yorkton	Per Capita	Weyburn	Per Capita	Per Capita	Market Gap	Income Adjusted
Population	18238		10484		Gap		1.317133298
Total Sales \$m	418.3	22935.63	244.7	23340.33	404.70	\$4,242,867	\$5,588,421
New/Used Cars, Rec. Vehicles, Parts \$m	120.6	6612.57	49.9	4759.63	-1852.93	-\$19,426,154	-\$25,586,835
Gas Stations \$m	30.2	1655.88	16.5	1573.83	-82.06	-\$860,281	-\$1,133,104
Furniture \$m	5.2	285.12	5.1	486.46	201.34	\$2,110,813	\$2,780,222
Home Furnishings \$m	4.2	230.29	1	95.38	-134.90	-\$1,414,344	-\$1,862,879
Computer & Software \$m	0.6	32.90	0.4	38.15	5.26	\$55,094	\$72,566
Home Electronics & Appliance \$m	10	548.31	1.7	162.15	-386.15	-\$4,048,437	-\$5,332,332
Home Centres, Hardware, etc. \$m	24.4	1337.87	25.7	2451.35	1113.49	\$11,673,813	\$15,375,968
Supermarkets \$m	67.6	3706.55	13.6	1297.21	-2409.33	-\$25,259,436	-\$33,270,045
Convenience & Specialty Foods \$m	2.5	137.08	3.7	352.92	215.84	\$2,262,891	\$2,980,529
Beer, Wine, Liquor \$m	8.5	466.06	2.5	238.46	-227.60	-\$2,386,172	-\$3,142,906
Pharmacies, Personal Care \$m	16.5	904.70	14.4	1373.52	468.82	\$4,915,078	\$6,473,813
Clothing \$m	9.7	531.86	3.8	362.46	-169.40	-\$1,775,984	-\$2,339,208
Shoe, Cloth. Access. & Jewellery \$m	4.4	241.25	3.6	343.38	102.13	\$1,070,688	\$1,410,238
General Merchandise \$m	103	5647.55	97.5	9299.89	3652.34	\$38,291,096	\$50,434,477
Sporting, Hobby, Music & Book \$m	6	328.98	2.3	219.38	-109.60	-\$1,149,062	-\$1,513,468
Miscellaneous \$m	4.9	268.67	2.7	257.54	-11.13	-\$116,734	-\$153,755

## Weyburn Retail Market Analysis

Region/Area	Average	Per Capita	Weyburn	Per Capita	Per Capita	Market Gap	Income Adjusted
Population	48539		10484		Gap		1.092332256
Total Sales \$m	908.10	24910.70	244.7	23340.33	-1570.37	-\$16,463,787	-\$17,983,925
New/Used Cars, Rec. Vehicles, Parts \$m	256.38	6665.23	49.9	4759.63	-1905.60	-\$19,978,271	-\$21,822,910
Gas Stations \$m	98.33	3179.13	16.5	1573.83	-1605.30	-\$16,829,949	-\$18,383,896
Furniture \$m	14.03	325.72	5.1	486.46	160.74	\$1,685,148	\$1,840,741
Home Furnishings \$m	13.03	255.35	1	95.38	-159.97	-\$1,677,127	-\$1,831,980
Computer & Software \$m	2.80	37.21	0.4	38.15	0.95	\$9,923	\$10,840
Home Electronics & Appliance \$m	33.87	547.34	1.7	162.15	-385.19	-\$4,038,339	-\$4,411,208
Home Centres, Hardware, etc. \$m	60.67	1673.48	25.7	2451.35	777.88	\$8,155,263	\$8,908,256
Supermarkets \$m	94.58	2970.22	13.6	1297.21	-1673.01	-\$17,539,828	-\$19,159,319
Convenience & Specialty Foods \$m	7.50	178.84	3.7	352.92	174.08	\$1,825,037	\$1,993,546
Beer, Wine, Liquor \$m	24.25	454.31	2.5	238.46	-215.85	-\$2,262,985	-\$2,471,931
Pharmacies, Personal Care \$m	44.78	1379.90	14.4	1373.52	-6.38	-\$66,903	-\$73,080
Clothing \$m	25.73	542.92	3.8	362.46	-180.47	-\$1,892,007	-\$2,066,700
Shoe, Cloth. Access. & Jewellery \$m	9.93	235.66	3.6	343.38	107.73	\$1,129,392	\$1,233,671
General Merchandise \$m	181.90	5648.07	97.5	9299.89	3651.82	\$38,285,654	\$41,820,655
Sporting, Hobby, Music & Book \$m	16.15	279.32	2.3	219.38	-59.94	-\$628,372	-\$686,391
Miscellaneous \$m	24.17	539.40	2.7	257.54	-281.87	-\$2,955,100	-\$3,227,952

Weyburn Retail Sales per Capita Compared to Average of all cities in the study.

#### 4.4 Opportunity Analysis

The Weyburn Retail Landscape is dominated by large players in the General Merchandise and Supermarket sectors. These vendors offer a wide range of products at reasonable prices. There are, however, opportunities to capture retail sales in niche markets and with product ranges simply not offered elsewhere in Weyburn.

It is anticipated that the retail market will grow by 50% by 2021. This growth may demand considerable expansion or allow new businesses to enter the market at some point over the next ten years.

Opportunities in each sector will require further research to determine if a venture could be successful. This is likely to include a Feasibility Study and Business Plan for each new business.

#### **New Car, Used, Recreational Motor Vehicle & Parts Dealers**

This sector represents a strong opportunity to create a profitable business that targets the most spending leakage (dollars spent in other communities). Weyburn does not have most import dealer franchises and this lack of selection compels shoppers to purchase in other retail centres, primarily Regina. The largest challenge will be to persuade the import auto companies that a dealer is required in a smaller market like Weyburn when all import lines are available within 120km drive. There may be an opportunity to fill the import car needs of customers through a late model used dealership. The size of this market that new ventures could capture is \$21.8MM (\$23.2 in 2012). By 2021 the gap in this market is forecast to range from \$32.7MM

### **Gasoline Stores**

This sector has potential for an additional \$18.4MM in sales (\$19.6MM in 2012). By 2021 this market could have potential for an additional \$27.6MM in sales. This market is likely over stated due to the influence of sales along Highway #1 in other comparison cities. It may also indicate a lack of truck stops in the local marketplace.

### **Home Furnishings Stores**

Floor coverings and home decorating supply appears to be under serviced in the Weyburn market. There is potential to capture an additional \$1.8MM in revenue from this market (1.9MM in 2012). There is some competition in this sector from Department and General Merchandise Stores and some sales may currently be captured by that sector. By 2021 the potential new sales captured in this market is forecast to be \$2.7MM.

### **Home Electronics & Appliance Stores**

Potential revenue available in this sector is \$4.4MM (\$4.7MM in 2012). This sector may have strong fit with others including Furniture Stores and Home Furnishing Stores. There is some competition in this sector from Department and General Merchandise Stores and some sales may currently be captured by that sector. By 2021 the potential new sales captured in this market is forecast to be \$6.6MM.



### **Supermarkets**

The Supermarket sector is undersupplied in the Weyburn market by approximately \$19.2MM as at 2010 and \$20.4MM as at 2012. A new grocery entrant is likely to take some sales from General Merchandise stores such as Wal-mart. By 2021, the market gap will increase to \$28.8MM.

### **Beer, Wine and Liquor Stores**

This sector is undersupplied in the Weyburn market approximately \$2.5MM (\$2.7MM in 2012). Some sales may be captured by the restaurant and lounge market. By 2021, the market gap is forecast to be \$3.75MM.

### **Clothing Stores**

This sector is currently undersupplied in the Weyburn Market. This sector could create additional available revenue of \$2.1MM (\$2.2MM in 2012). Although Statistics Canada provides no further breakdown in this sector, in the United States, this market consists of Women's Clothing Stores (17.56%), Men's Clothing Stores (9.32%) and General Clothing Stores (73.11%). In the Weyburn market, some of this sector's revenue would be absorbed currently by Department and General Merchandise Stores. By 2021 the potential new sales captured in this market is forecast to be \$3.05MM.

This is another sector where retailers are capturing sales from General Merchandisers according to Statistics Canada, "In 2007, general merchandisers' market share of clothing, footwear and accessories continued a downward trend which started in 1999. Overall, sales of clothing, footwear and accessories advanced 4.1% in 2007 to \$33.8 billion, while they increased only 0.2% for general merchandisers."

General merchandise stores accounted for 23.9% of overall retail sales of clothing, footwear and accessories in 2007, down one percentage point from 2006. In 1999, general merchandisers controlled 30.7% of this market.

Clothing and accessories stores saw their market share of clothing, footwear and accessories rise from 66.5% in 2006 to 67.3% in 2007. Gaining or losing a fraction of a point in a market known for high profit margins relative to the rest of retail trade could impact the financial results of retailers.

### **Sporting Goods, Hobby, Music & Book Stores**

The available revenue in this sector is \$.68MM (\$.72MM in 2012). This sector is fractured with small markets available to each sub-sector. Due to the fractured nature of this sector and a wealth of on-line providers to the largely commoditized Hobby, Music, and Book sub-sectors, it may be difficult to create a new venture in the Weyburn market. By 2020 the potential new sales captured in this market is forecast to be \$1MM.

### **Miscellaneous Store Retail**

This sector is a catch-all for any retail operation that does not fit into other categories. Florists, Stationary Stores, Office Supply, Gifts, Novelty, and Souvenir Stores, Used Goods Stores, Pet Stores, Art Supplies Stores, Tobacco Stores and others are included in this sector. It is highly fractured and market share is targeted by Department & Other General Merchandise Stores as well as on-line stores. There is potential to capture revenue of \$3.2MM (\$3.4MM in 2012), but due to the number of sub-sectors in Miscellaneous Store retail, any one sub-sector may not provide enough volume to be viable. By 2020 the potential new sales captured in this market is forecast to be \$4.8MM.

## Conclusions and Recommendations

New retail opportunities do exist in the Weyburn market. Retail spending is forecast to increase by 50% by 2021 bringing the current retail market to \$390MM in sales from the \$260MM currently realized. Retail expansion or attraction should be focused in the following areas:

- New and Used Vehicle Sales (Import Focused)
- Gas Stations
- Home Electronics, and Appliances
- Supermarkets
- Clothing Stores (General and Women's Apparel)
- Small Niche Retail (Independent Micro-Business)

New and expanding businesses in these sectors could capture \$78.8MM (2012 estimates) in additional revenue in the current market. By 2021, New and expanding businesses in the Weyburn market could capture \$118.2MM in additional retail sales.

## Appendix

### Glossary of Terms

**Beer, Wine and liquor Stores** (Retail Sales Table) - Refers to establishments primarily engaged in retailing packaged alcoholic beverages, such as beer, wine and liquor.

**Clothing Stores** (Retail Sales Table) - Refers to: **Men's Clothing Stores** primarily engaged in retailing a general line of new, men's and boys', ready-to-wear clothing. These establishments may also provide alterations on the garments they sell. **Women's Clothing Stores** primarily engaged in retailing a general line of new, women's, ready-to-wear clothing, including maternity wear. **Children's and Infants' Clothing Stores** primarily engaged in retailing a general line of new, children's and infants', ready-to-wear clothing. **Family Clothing Stores** primarily engaged in retailing a general line of new, ready-to-wear clothing for men, women and children, without specializing in sales for an individual gender or age group. **Other Clothing Stores** primarily engaged in retailing specialized lines of new clothing.

**Furniture Stores** (Retail Sales Table) - Refers to establishments primarily engaged in retailing new, household and office furniture. These establishments may also retail major appliances, home electronics, home furnishings and floor coverings, and may provide interior decorating services.

**Gasoline Stations** (Retail Sales Table) - Refers to **Gasoline Stations and Convenience Stores** primarily engaged in retailing automotive fuels combined with the retail sale of a limited line of merchandise, such as milk, bread, soft drinks and snacks in a convenience store setting. Establishments that operate such establishments on behalf of their owners are also included. **Other Gasoline Stations** primarily engaged in retailing gasoline, diesel fuel and automotive oils, whether or not the gasoline station is operated in conjunction with a repair garage, restaurant or other type of operation. Establishments that operate such establishments on behalf of their owners are also included.

**General Merchandise Stores** (Retail Sales Table) - Refers to a combination of two categories: (1) Department Stores, and (2) Other General Merchandise Stores. Each category is defined separately.

**Home Centres and Hardware Stores** (Retail Sales Table) - Refers to **Home Centres** primarily engaged in retailing a general line of home repair and improvement materials and supplies, such as lumber, doors and windows, plumbing goods, electrical goods, floor coverings, tools, housewares, hardware, paint and wallpaper, and lawn and garden equipment and supplies. The merchandise lines are normally arranged in separate

sections. These establishments may provide installation and repair services for the merchandise they retail. **Hardware Stores** primarily engaged in retailing a general line of basic hardware items, such as tools and builders' hardware. These establishments may sell additional product lines, such as paint, housewares and garden supplies, that are not normally arranged in separate departments.

**Home Electronics and Appliance Stores** (Retail Sales Table) - Refers to **Appliance, Television and Other Electronics Stores** primarily engaged in retailing new household appliances, home audio and video equipment, and other electronic products. These establishments may also retail used electronics and appliances, provide repair services, and retail computers and computer software. **Camera and Photographic Supplies Stores** primarily engaged in retailing new cameras, photographic equipment and photographic supplies. These establishments may also retail used cameras and photographic equipment, and replacement parts and accessories, and provide repair and film developing services.

**Home Furnishings Stores** (Retail Sales Table) - Refers to **Floor Covering Stores** primarily engaged in retailing new floor coverings, such as rugs and carpets, vinyl floor coverings, wood floor coverings, and floor tiles, except ceramic. These establishments also typically provide installation and repair services. **Other Home Furnishings Stores** primarily engaged in retailing new home furnishings, such as window treatments, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames.

**Miscellaneous Store Retailers** (Retail Sales Table) - Refers to **Florists** primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments typically prepare the arrangements they sell. **Office Supplies and Stationery Stores** primarily engaged in retailing office supplies or a combination of office supplies. Establishments primarily engaged in retailing stationery and school supplies are also included. **Gift, Novelty and Souvenir Stores** primarily engaged in retailing new gifts, novelty merchandise, souvenirs, greeting cards, seasonal and holiday decorations, and curios. These establishments may also retail stationery. **Used Merchandise Stores** primarily engaged in retailing used merchandise. Establishments primarily engaged in retailing antiques are also included. **Pet and Pet Supplies Stores** primarily engaged in retailing pets, pet food and pet supplies. These establishments may also provide pet grooming services. **Art Dealers** primarily engaged in retailing original and limited edition art works. Establishments primarily engaged in the exhibition of native art and art carvings for retail sale are also included. **Mobile Home Dealers** primarily engaged in retailing new and used mobile homes, parts and equipment. These establishments may provide installation services in addition to retailing the homes. **All Other Miscellaneous Store Retailers** primarily engaged in retailing specialized lines of merchandise, such as tobacco and tobacco products; artists' supplies; collectors' items, such as coins, stamps, autographs and cards; beer and wine making supplies; swimming pool supplies and accessories; religious goods; and monuments and tombstones.

Establishments primarily engaged in retailing a general line of new and used merchandise on an auction basis are also included.

**New Car Dealers** (Retail Sales Table) - Refers to establishments primarily engaged in retailing new automobiles, sport utility vehicles, and light-duty trucks and vans, including mini-vans, to final consumers or to automobile lessors. These establishments also typically retail used cars, replacement parts and accessories, and provide repair services.

**Other General Merchandise Stores** - Refers to **Warehouse Clubs and Superstores or Supercentres**, primarily engaged in retailing a general line of grocery items in combination with a general line of non-grocery items, and typically selling grocery items in larger formats. **All Other General Merchandise Stores** primarily engaged in retailing a general line of new merchandise. Establishments known as home and auto supplies stores, catalogue showrooms, agricultural co-op stores, variety stores and country general stores are included.

**Pharmacies and Personal Care Stores** (Retail Sales Table) - Refers to **Pharmacies and Drug Stores** primarily engaged in retailing prescription or non-prescription drugs and medicines. These establishments also typically retail snacks, cosmetics, personal hygiene products, greeting cards and stationery, and health aids, and may also retail confectionery, tobacco products, novelties and giftware, and cameras and photographic supplies. **Cosmetics, Beauty Supplies and Perfume Stores** primarily engaged in retailing cosmetics, perfumes, toiletries and personal grooming products. **Optical Goods Stores** primarily engaged in retailing and fitting prescription eyeglasses and contact lenses. These establishments may or may not grind lenses to order on the premises. Establishments primarily engaged in retailing non-prescription sunglasses are also included. **Other Health and Personal Care Stores** primarily engaged in retailing health and personal care items. Establishments primarily engaged in retailing health and personal care items, such as vitamin supplements, hearing aids, and medical equipment and supplies are included.

**Shoe, Clothing Accessories and Jewellery Stores** (Retail Sales Table) - Refers to **Clothing Accessories Stores** primarily engaged in retailing a single or general line of new clothing accessories. **Shoe Stores** primarily engaged in retailing all types of new footwear. These establishments may also retail shoe-care products. **Jewellery Stores** primarily engaged in retailing jewellery, sterling and plated silverware, and watches and clocks. These establishments may provide services such as cutting and mounting stones and jewellery repair. **Luggage and Leather Goods Stores** primarily engaged in retailing luggage, briefcases, trunks and related products, and establishments engaged in retailing a line of leather items.

**Specialized Building Materials and Garden Stores** (Retail Sales Table) - Refers to **Paint and Wallpaper Stores** primarily engaged in retailing paint, wallpaper and related supplies. **Other Building Material Dealers** primarily engaged in retailing specialized lines of building materials. These establishments may provide installation services in addition

to retailing. **Outdoor Power Equipment Stores** primarily engaged in retailing outdoor power equipment. These establishments also retail replacement parts and may provide repair services. **Nursery Stores and Garden Centres** primarily engaged in retailing nursery and garden products, such as trees, shrubs, plants, seeds, bulbs and sod, that are predominantly grown elsewhere. These establishments may provide landscaping services.

**Sporting Goods, Hobby, Music and Book Stores (Retail Sales Table)** - Refers to **Sporting Goods Stores** primarily engaged in retailing new sporting goods. These establishments may also retail used sporting goods, and provide repair services. **Hobby, Toy and Game Stores** primarily engaged in retailing new toys, games, and hobby and craft supplies. **Sewing, Needlework and Piece Goods Stores** primarily engaged in retailing new sewing supplies, fabrics, patterns, yarns and other needlework accessories. These stores may also retail sewing machines. **Musical Instrument and Supplies Stores** primarily engaged in retailing new musical instruments, sheet music and related supplies. These establishments may also rent and repair musical instruments. **Book Stores and News Dealers** primarily engaged in retailing new books, newspapers, magazines and other periodicals. **Pre-Recorded Tape, Compact Disc and Record Stores** primarily engaged in retailing new audio and video recordings in any format\medium.

**Supermarkets (Retail Sales Table)** - Refers to establishments known as supermarkets and grocery stores, primarily engaged in retailing a general line of food, such as canned, dry and frozen foods; fresh fruits and vegetables; fresh and prepared meats, fish, poultry, dairy products, baked products and snack foods. These establishments also typically retail a range of non-food household products, such as household paper products, toiletries and non-prescription drugs.

**Used and Recreational Motor Vehicle and Parts Dealers (Retail Sales Table)** - Refers to **Used Car Dealers** primarily engaged in retailing used automobiles, sport utility vehicles, and light-duty trucks and vans, including mini-vans. **Recreational Vehicle Dealers** primarily engaged in retailing new and used RVs, such as motor homes, recreational trailers and campers. These establishments also typically retail replacement parts and accessories, and provide repair services. **Motorcycle, Boat and Other Motor Vehicle Dealers** primarily engaged in retailing new and used motorcycles, watercraft and other vehicles, such as snowmobiles, off-road all-terrain vehicles, utility trailers, and aircraft. These establishments also typically retail replacement parts and accessories, and provide repair services. **Automotive Parts and Accessories Stores** primarily engaged in retailing new, rebuilt and used automotive parts and accessories; both retailing automotive parts and accessories and repairing automobiles; and retailing automotive accessories that generally require installation. **Tire Dealers** primarily engaged in retailing tires and tubes. These establishments also typically provide complementary services, such as tire mounting and wheel balancing and aligning.