
Business Concept Development & Feasibility Study

concerning the establishment of a

North Central Regina *Community* Grocery Store

Prepared for:



Ehrlo Community Services

Prepared by:

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I. TERMS OF THE FEASIBILITY STUDY

CS&R ASSOCIATES was contracted by Ehrlo Community Services to assess the feasibility of establishing and operating a community grocery store within North Central Regina. Elements of the feasibility study, depending upon findings from the analysis, were to include:

- Development of a business concept, which will include a marketing plan and general operational plan;
- Development of a *pro forma* financial picture with added risk assessment elements;
- Provide an outline with respect to corporate structure, target markets, and the financial viability of the proposed social business venture;
- To provide a capital plan and blueprint that considers building a new building as compared to rental or the retro-fit of an existing property;
- Start-up and implementation strategies (*if feasibility warrants*); and
- To identify and explore potential partnerships and suggest feasibility options for this initiative.

II. EXECUTIVE SUMMARY

It is the unbiased opinion of CS&R ASSOCIATES that the operation of a community grocery store in North Central Regina, as outlined in the body of this study, is not a feasible business venture.

After careful consideration of community needs, market potential, sales projections, industry “best practices”, plus all associated start-up expenses and operating costs, the community grocery store business concept is unlikely to attain an operating profit.

As this study indicates, a grocery store of this size and characteristics is not able to generate enough sales volume to overcome the significant cost structure and economics of the grocery food retail industry

- Some literature related to community inner-city grocery store development suggests the possibility of successful operations. However, these examples (as discussed below) lack overwhelming evidence and applicability when compared to Regina. One should be cautious to base opening a store on the literature alone.
- And while there appears to be a sizeable market in terms of annual food expenditures (\$18.7M to \$19.2M annually) and reasonable sales projections (the \$2.8M to \$3.0M range is optimistic), this is by no means any indication of profitability.
- Additionally, while the proposed community grocery store venture appears to have the total sales potential to cover salary expenses (after covering the COGS expense), this level of sales is not likely adequate enough to cover off remaining variable and fixed expenses. The potential retail sales are not robust enough to operate a profitable business.
- As well there is no “reasonable” break-even point for the operation of the community grocery store studied as proposed. The point of total sales

required for the community grocery store to reach break-even is unusually high for that market area.

- Total Annual Sales would have to reach at least 30% of the market potential in order to post an “operating” profit, before applicable taxes and depreciation.

Without a significant amount of start-up and capital funding (~\$1.2M) combined with ongoing annual financial operating support (~\$300K), a community grocery store within North Central Regina (as discussed and assessed in the body of this study) would not, in the foreseeable future, likely be financially feasible and self-sustaining.

NOTES TO EXECUTIVE SUMMARY

It should be noted, however, that this study is, in no way, a commentary on the food security needs of North Central Regina. This is not a study on how best to meet the human service needs of a community. Nor is it a “policy/public finance” study on whether a grocery store should or should not be established within the North Central area.

This study is simply a feasibility test as to the financial ability of operating a community-sized grocery store. If anything, this study has created a “body of knowledge” around what may and may not be feasible in terms of the grocery retail industry.

Based on this study, it is quite clear that a community grocery store, as a “stand-alone” operation within North Central Regina, is not likely to be financially successful. What is also now well understood, and supported within the body of this study, is “how not” to operate a community grocery store. And while other models and partnerships are likely to experience similar economic challenges, they may well be worthwhile exploring.

In fact, during the course of investigation, there were a few ideas and “feasibility options” presented to the author that may improve the economics of such a store. These ideas and options include:

1. Establishment of a Training Subsidy for local student employees hired to work in the store.
2. Seek long-term or permanent Tax Abatement from the City of Regina.
3. Secure a Capital Development Assistance Grant.
4. Examine a Co-Location Opportunity that would locate several community, health and human service organizations into a cluster of activity.

I must remind the reader, however, that while these types of initiatives would definitely improve the financial operations of a community grocery store, this industry is exceptionally competitive with a significant cost structure and economics that are not easily overcome.

III. THE SOCIAL BUSINESS VENTURE “CONCEPT”

3.1 Why A Community Grocery Store?

North Central Regina, with a population base of approximately 11,200 to 12,700¹, currently lacks a grocery store of any significant size and variety within the community. The larger retail grocery outlets have chosen to relocate to areas within Regina that are more lucrative and serve a larger level of demand for the city as a whole. Several smaller convenience-focused retail stores exist throughout the community, but nothing that offers a suitable variety of produce, bakery, meat, grocery, and dairy items.

Community groups argue that this gap in food services has only served to augment the existing “food security” issues (*see Appendix for definition*) and needs within North Central with respect to nutrition, affordability, accessibility, food quality, and reasonable pricing. This is a trend common across Canada and the United States whereby fewer supermarkets are locating in low-income neighbourhoods². Due to the lack of supermarkets and moderate sized stores in low-income areas, residents’ local shopping options are often limited to smaller neighbourhood convenience stores³ or are forced to drive greater lengths to access super markets. As well, this lack of local business impacts community revitalization and business development economics.

Reports have shown that grocery stores often inadequately serve urban neighbourhoods with a high proportion of low-income families. Many families lack cars and rely on public transportation to gain access to grocery stores. The lack of high-volume, low-margin large grocery stores in low-income communities reduces families’ access to affordable, high quality, nutritious food and reduced variety of certain products⁴.

¹ Saskatchewan Health 2005 data and ARCAS 2006 study.

² Kalil article, Kolodinsky/Cranwell article, and Stegman/Lobenhofer case study.

³ Food Security in Ottawa: A Community Profile, March 2001.

⁴ Toronto Food Policy Council paper

Studies have also shown that inner-city shoppers sometimes pay as much as 40 percent more for basic grocery items than their suburban counterparts⁵. This pricing difference is attributable mainly to the reliance on small stores with high mark-ups.

From the perspective of Ehrlo Community Services (ECS), the idea of a community grocery store social business venture represents an opportunity worthy of examination given its potential to address the “food security” issue as well as for developing community capacity and revitalization. From the onset, Ehrlo’s interest was to address these issues, dependant upon due diligence and the findings of this feasibility study.

This type of community business concept fits well with Ehrlo’s overall vision and social philosophy of providing services to at-risk families and helping to build communities. It is also the philosophy of Ehrlo to demonstrate responsible stewardship of financial resources and the need to balance that with community need. This responsibility is viewed as a means of accountability to the community.

3.2 DESCRIPTION OF PROPOSED SOCIAL BUSINESS VENTURE

The main approach taken for this study was to first and foremost develop the social business “concept”. As no existing models existed in order to test feasibility, a significant portion of time and resources was spent developing what the most appropriate store would resemble (then you test its feasibility).

What follows, based on the findings and examination over the course of the last twelve months, is a detailed outline of a standard type of grocery retail store for North Central residents (given the market demand, community input, and the direction provided by Ehrlo Community Services).

⁵ The Boston Consulting Group study.

a. Concept & Feasibility Objectives

In discussions early on with Ehrlo Community Services, along with input from several North Central community groups and individual representatives (*see Appendix*), the following objectives for examining the potential of establishing a grocery store in North Central have been consistently identified:

- That the store be first and foremost an economically viable operation;
- That through its operations, it meet the social mission of providing affordable, accessible groceries to residents of North Central Regina;
- If viable, this venture will represent a very real step for North Central in addressing issues of food security, nutrition, health and wellness;
- The purpose is also to stimulate the locally economy through business development and job creation; and
- To foster community capacity and revitalization in terms of creating work experience, training, employment, and other economic benefits.

This social business venture approach fits well with Ehrlo Community Services' philosophy and stated social purpose to promote and build healthy communities.

b. Type of Business

The proposed business model being examined is a fairly conventional grocery store that includes the main retail staple food/grocery product lines complimented with the secondary convenience/impulse type elements. The main grocery services would be the basics in terms of a meat section, a produce section, and grocery aisle sections, all supported by managerial and administrative staff, floor clerks, as well as a cashier/front-end section.

This feasibility study assumes and examines a grocery retail venture similar to stores in type and size as Lakeview Fine Foods or the Lakeshore IGA, both located in Regina. It is believed these types of stores are a suitable benchmark

given the size of population they serve and the fact that there are very few local independent examples to draw upon.

This business concept has also been chosen as the most appropriate for a North Central Regina grocery outlet based on additional input and discussions with community groups/individuals as well as industry experts currently working in the grocery retail business (*see Appendix for details on meetings and interviews*). The store type is also modest enough in size and operations for ECS to manage.

c. Business Ownership Structure

This feasibility study assumes that, if established, the proposed store would operate as a not-for-profit corporation and as a separate legal entity distinct from Ehrlo Community Services.

Consideration was given to the use of a co-operative structure, but this study was unable to find any data to support the hypothesis that this would result in increased community buy-in and patronage⁶. This is not to state that a co-op model is not appropriate or not feasible. However, in terms of what structure is more or less critical to the success of this type of store, there were no strong indications.

Note, as well, that an eventual proposed ownership structure should ensure strict legal and financial separation between the proposed entity and Ehrlo Community Services, in order to ensure limited liability. The grocery retail industry is quite competitive and risky, so managing that risk and ensuring it does not negatively impact other areas of activity is important.

In terms of best practices (*see Appendix*), the literature has also clearly indicated that those inner-city stores that were successful also had a “private sector” incentive attached to them. Several stores were privately owned and

⁶ CoopZone. “Starting a Co-op”, and ARCAS study.

operated, so that the store manager and his/her management staff had a direct stake and benefit in the loss or success of the store⁷. This element needs to be considered with respect to any store ownership as well as staff remuneration and pay/bonus structure.

Note: Given that this Feasibility Study did not progress into the Business Planning phase, a more detailed review of forms of business ownership - such as sole proprietor, partnership, limited partnership, and a corporation – was not completed.

d. Location

Any proposed location should be targeted for the heart of North Central Regina, where it would be able to serve more readily the needs of those individuals with transportation and accessibility concerns. Any eventual or possible location should be determined based on a number of variables such as: availability, traffic, proximity to public transit, surrounding amenities, accessibility, etc.

It is assumed that the proposed store would have ample parking and thus be accessible to potential customers with automobiles. Proximity to other businesses and traffic density would also be vital. Centres of activity that have significance for the propose store include:

- Dewdney and 4th Avenue with traffic counts among the highest in the city. In fact, the busiest street within North Central is Dewdney, with an average daily traffic count of 14,600 occurring between Elphinstone and Pasqua⁸.
- Dewdney between Lewvan and Pasqua, is the next busiest in the area with 12,300 daily traffic counts.

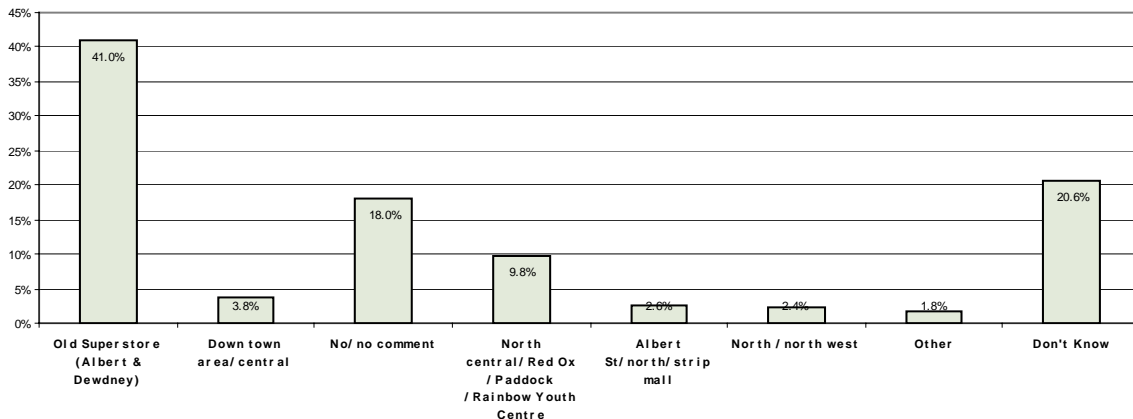
⁷ Morain article and Prince study.

⁸ City of Regina 2003 Traffic Flow Map

- 3rd Avenue has 11,500 counts between Lewvan and Pasqua, 9,000 between Pasqua and Elphinstone, and 8,900 between Elphinstone and Albert Street.
- As well, the blocks located between Albert Street and Elphinstone have the highest population and also the highest number of children.
- The 5th Avenue & Elphinstone area includes Conexus Credit Union, the Short Stop Auto Repair, Grab Bag Confectionary, 4-Directions Health Clinic, and Sacred Heart manor.
- The 7th and Elphinstone area has Scott Collegiate, Sacred Heart Community School, and the open lot north of Scott Collegiate.
- As well, the 7th Avenue, 8th Avenue, Robinson and Cameron zone includes the Friendship Centre, the Regina Public Library and Albert School.

Results from the ARCAS market consumer survey also produced the following results, suggesting that the residents of North Central still desire a Superstore to be located back to the old location:

12. Is there a location within your neighbourhood that you would like to see a grocery store located?



Store Size, and Layout

In terms of store size, this business concept assumed and examined the feasibility of a grocery store in the 6,000 square foot range (*see Appendix for blueprints*). This size would be larger than a corner convenience store and so permit a greater ability to offer a better variety of products. Discussions with industry stakeholders suggests that a store of this size is not considered a large store, but would be manageable from the perspective of community demand and projected sales.

In terms of layout, a store of this size provides enough space to stock a variety of merchandise ⁹, and should consider the following industry design traits:

- 25% devoted to a check-out/customer service area.
- The checkout should be within ten feet of the front door and contain impulse items such as candy, magazines, cigarettes, film, batteries, and razor blades.
- 60% of the store needs to be allotted for display aisles. The aisle position needs to encourage or create traffic flow such that customers must walk through in-demand items to reach milk and other beverages in refrigerated coolers.
- 10% of the floor space should be devoted to receiving and storage; and
- 5% or less to office space.

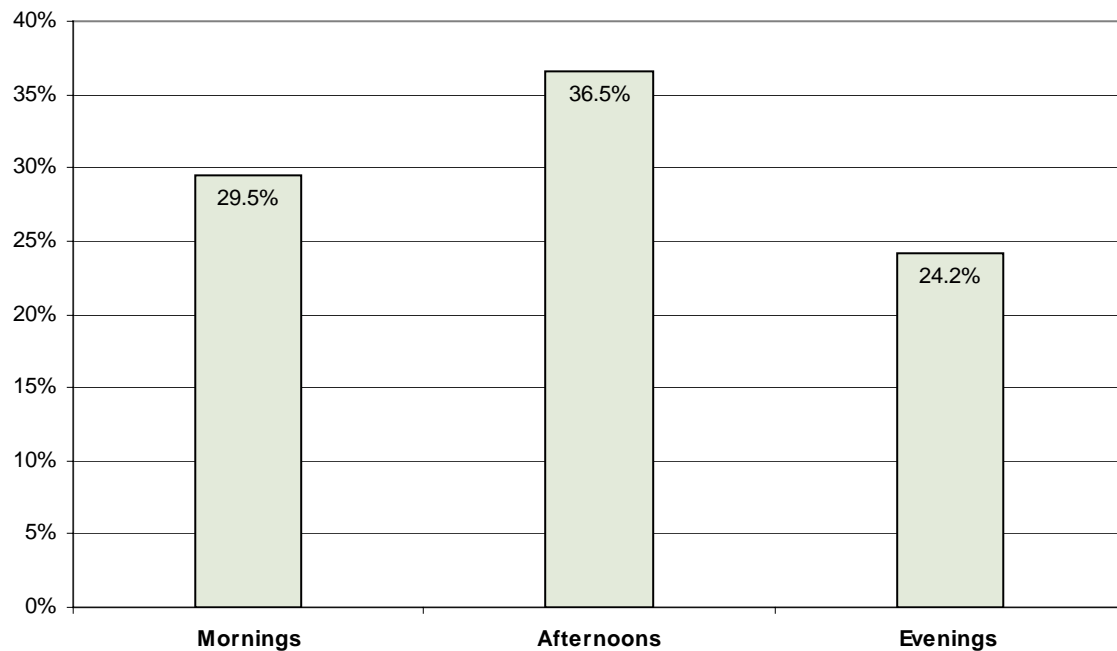
e. Products and Services

The community grocery store being examined would likely be a full-time operation, operating 7 days a week (only if demand so warrants), likely during the typical hours of 9:00 a.m. and 6:00 p.m. This approach to hours of operation is similar to most other stores within Regina of that size and nature.

⁹ Henning Study, 1998.

As well, according to the ARCAS market survey, each period of the day – morning, afternoon, and evening – attracts significant numbers of shoppers (see table below).

4. What times of the day do you normally do your grocery shopping?



The survey also found that females are more likely to want to shop during the afternoon, but still have good representation during other times of the day. As well, those over 65 strongly prefer the mornings, with no shopping in the evenings. The 18-24 age group have a stronger preference for the afternoons. However, overall, each segment of the day has reasonable demand.

The majority of the goods offered (as supported by the ARCAS survey) will be products such as:

- A well-stocked Produce section that includes fresh fruit, an assortment of vegetables, and complimentary items;

- Meat (mostly frozen) & Deli Section;
- Grocery elements including frozen foods dry goods, bakery items, dairy products, canned goods, etc.;
- A bulk aisle should be added as part of the grocery area;
- Prepared Foods section (including grab-and-go meals, cooked food, frozen pizzas, etc...); and
- Convenience/impulse products.

Some of the other product and service elements that could potentially be included (ARCAS survey) are:

- Bagging groceries;
- Van Delivery service;
- Banking machine;
- Pharmaceutical products; and
- Outdoor/indoor activities for kids (i.e. playground).

f. Promotion & Marketing

Discussions with several local stores (Sherwood Co-op, Lakeview Fine Foods, and Lakeshore IGA) and The Leader Post indicate that the most cost-effective means of advertising or marketing in the grocery retail industry is the promotional flyer. Typically, the bare minimum should require:

- Basic weekly flyer distribution.
- 52-weeks per year
- Distribution includes every household in the Regina North Central neighbourhood (approximately 4500 households).

The main input from industry was that as a bare minimum, if there is no weekly flyer, then traffic suffers immediately. Other forms of media are not used as much or at all in the local Regina market, except for the larger retail outlets in term of branding.

g. Human Resources & Compensation

Depending upon store size, community-demand, and store economics, the store would likely require approximately 7-8 full-time employees and 2-3 part-time employees. Note that this is also a very lean staff complement. Industry standards suggest, as well, that the employee salary budget is typically 10%-12% of the gross operating revenue.

The business concept assumed would require the following positions:

- | | |
|------------------------|-------------------------------|
| - 1 Store Manager | - 1 Produce/Grocery assistant |
| - 1 Produce Supervisor | - 1 Store Clerk |
| - No Butcher | - Part-time Cashier |
| - 1 Grocery Supervisor | - Part-time Store Clerk |
| - 2 Full-time Cashiers | |

h. Pricing Approach

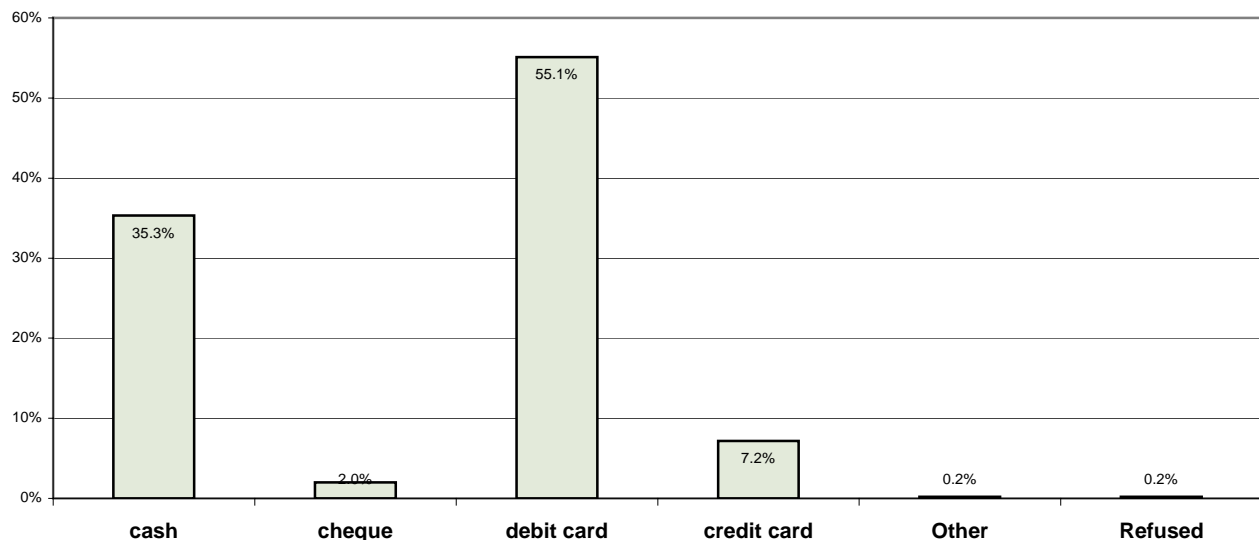
Industry standard would imply mark-ups over cost in the range of 15% to 100%, depending on the category of merchandise. The following are typical of such mark-ups:

- Grocery (includes dairy) – gross margin mark-up of typically 18%-21%, for a store of this suggested size and type.
- Produce – gross margin mark-up is usually in the 30%-32% range.
- Meat/deli – gross margin mark-up is typically between 18% to 24%.
- Convenience/Impulse – this area of product relies upon the greatest amount of mark-up ranging from 40% up to 100% plus, depending upon the item.

Other pricing activities and policies to implement (as supported by the literature and the ARCAS market survey) include:

- Incentive/Discount program similar to a membership card;
- Seniors discount;
- Van Delivery service tied to spending amounts; and
- No credit would be offered to customers. Sales will be cash, debit or credit card.

15. What form of payment do you mostly use when paying for your groceries?



i. Community Service Activities

Generating community acceptance and a sense of ownership has been critical to the survival of the most successful North American community grocery stores (*see Appendix*). Creating brand loyalty within North Central would require the store to be seen as actively pursuing community activities and support. The ARCAS survey revealed that 71.3% of shoppers are more likely to do their grocery shopping at a local store if there is neighbourhood involvement.

The types of activities typically found to be effective include supporting local schools, sports teams, art/music and cultural activities, being active in community events, and assisting with the mandate of human service organizations in the area.

IV. THE BUSINESS ENVIRONMENT

4.1 INDUSTRY ECONOMICS & TRENDS

With opportunity comes risk, especially within the grocery and retail food industry. The grocery store and supermarket industry is exceptionally competitive, with profit margins usually averaging around the 1-2% range¹⁰. Economically, supermarkets choose to survive with such narrow margins by having to rely on high volume of sales and rapid turnover of stock. Low mark-up to stimulate high volume buying is the fundamental principle of mass merchandising for this industry.

High volume improves the price/margin return and reduces profit/loss exposure to risk. Reports also clearly indicate that the industry is becoming more efficient as a result of streamlined back-end operations, better product merchandising, and industry consolidation¹¹.

All indicators suggest that the profit margin for any grocery store, regardless of size, is between 1-2% of gross sales. As well, industry comments suggest that the smaller stores have difficulty achieving even these modest net margins, or operate at a loss. Additionally, those stores that operate at a loss likely remain open only because of being subsidized by hardware or gas retail outlets connected to the grocery store.

According to the most recent Canadian Food Industry Council study¹², retail food represented about 22% of the total retail industry in Canada, down from 25% in 1996. As well, in 2002, "... retail food chains accounted for 60.7% of sales in the industry, up from 55.4% in 1996". During this same period, the number of smaller more independent grocers declined from 19,086 to 14,015. This decline was most prominent in Quebec and the Western provinces.

¹⁰ Canadian Council of Grocery Distributors and Statistics Canada data.

¹¹ Ibid.

¹² Canadian Council of Grocery Distributors findings.

The report goes on to note that "... the only way to increase market share has been to take it from a competitor. This continues to contribute to over-capacity in the industry"¹³. The main emerging trends identified within the industry affecting competition include:

- Increasing concentration – the six largest firms in Canada, as of 2002, controlled 70% of the market.
- Cross Shopping – most Canadians purchase groceries from more than one type of store.
- Alternative or Non-traditional Channels – stores, which are not primarily grocery stores, captures 23.8% of the market in 2002, up from 18.1% in 1995.
- Food Service Operators – these types of stores cater to customers who do not have the time or inclination to prepare meals themselves.
- Internet Use – while this avenue was seen an emerging threat, there appears to be no grounds for concern as of yet.

4.2 COMMUNITY STORE CHALLENGES & ECONOMICS

Smaller stores cannot buy in volume, have limited access to large-scale wholesale produce, and often do not have the space or equipment needed to offer fresh produce on a daily basis. Studies have shown that prices at neighbourhood markets far exceed those at chain supermarkets, and that these stores are unlikely to offer the variety of products. The products offered also tend to be lower in quality.

Another risk is that this "high volume" pattern creates challenges when dealing or responding to some consumers with limited spending patterns (typically witnessed in inner-city populations). The opportunity or market potential still exists, but managing the cost-of-goods-sold margins is made more difficult with consumers that buy more frequently, but in smaller amounts.

¹³ Canadian Council of Grocery Distributors findings.

4.3 NORTH CENTRAL REGINA PROFILE (TAXFILER DATA)

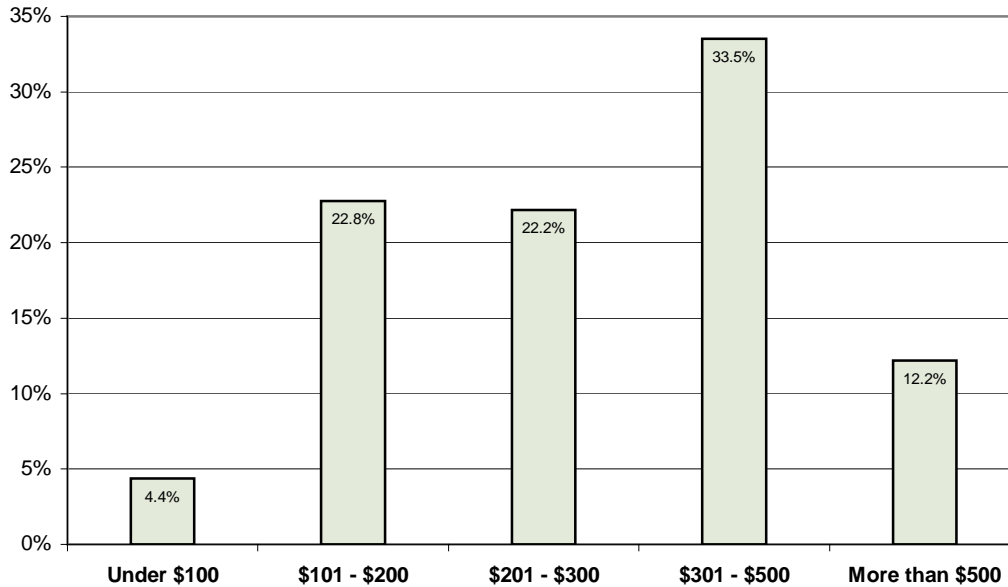
- Total Population = 12,756;
- Total number of private households = 5,080 (2,620 are owned with 2,460 rented);
- Average Household Income = \$28,000;
- Average Regina Household Income = \$59,515;
- Incidence of Low Income = 47.2%;
- Average Household Size = 2.5 persons;
- Population is 44% Single, 34% Married, and 22% Divorced/Widowed.;
- Essentially 50% male-female.

4.4 COMMUNITY CONSUMER PROFILE¹⁴

- 40.5% of all respondents indicated that they currently do the majority of their grocery shopping at Superstore. This percent was followed by Safeway at 25.9% and Extra Foods at 16.4%. These top three grocery chains represented ~82% of all grocery shopping.
- Superstore was frequented by 18-24 year olds (52.9%) while seniors frequented Safeway (31.4%).
- Superstore on Rochdale and Pasqua Street was the most frequented location for 38.7% of all respondents.
- 44.9% of respondents indicated that convenience of location followed by prices (35.1%) were the key reasons to shop at their location.
- Almost 40% of respondents shopped once per week while 28.7% shopped every two weeks.
- Approximately one third (33.5%) of respondents spent between \$301-\$500 on groceries monthly. The grocery expenditure was directly correlated to size of family (see table below).

¹⁴ ARCAS Market Survey.

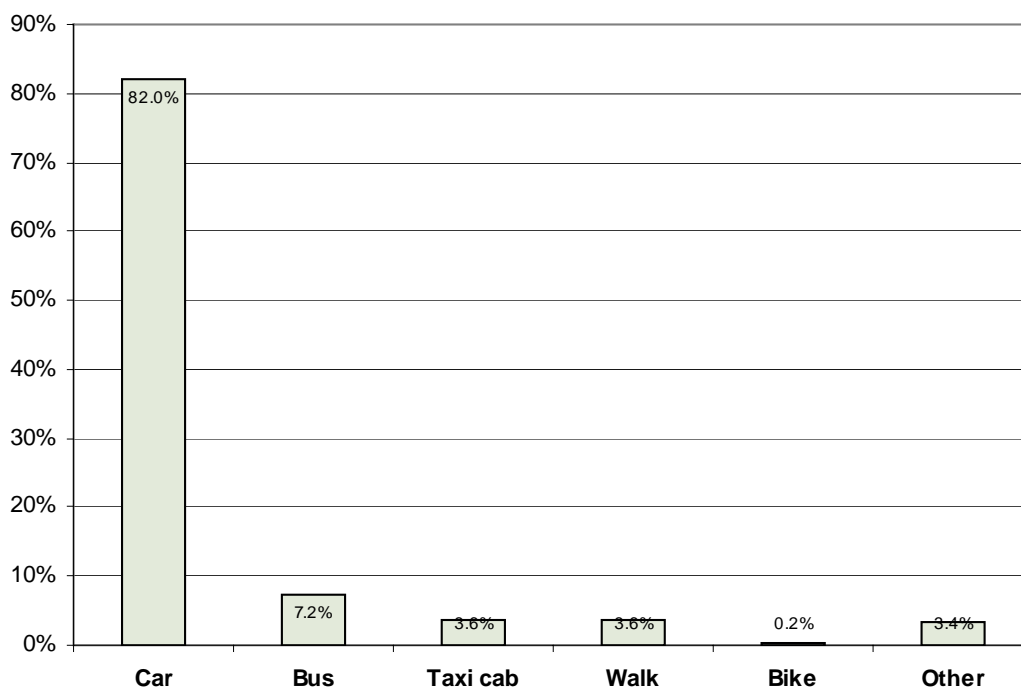
6. On average how much do you normally spend grocery shopping in a month?



- “Variety of Products” followed by “Competitively Priced” and “Cleanliness of Store” were key satisfaction indicators.
- 94.4 % of all respondents indicated that they would support a grocery store in their North Central Regina neighbourhood.
- 41% of all respondents indicated that the old Superstore location would be a good location for a new store.
- More than half (54.5%) indicated that a better location would convince them to change their grocery store. This percent was followed by better pricing at 28.3%.
- A vast majority (82%) of respondents either rode in or drove by car for their grocery shopping. 7.2% of respondents take the bus (see table below).
- The only income bracket where these percentages are different are those that earn less than \$20,000 annually. 50% of this lower-income

bracket ride by car, with ~23% taking the bus, 10% using a taxi cab, and less than 9% who walk.

8. What form of transportation do you currently use to get to the grocery store?



4.5 SASKATOON ANALOG CONSUMER PROFILE ¹⁵

The following main findings were the result of a study conducted in Saskatoon, which demonstrates similar consumer behaviour results and preferences:

- Lower income participants spent a greater proportion of their food dollar at the larger stores rather than at smaller outlets.
- 1/3 of participants were willing to pay higher prices and travel further if the store had the qualities deemed important.
- 79.1% of food buying occurs at the larger format outlets.

¹⁵ Access to Food, Saskatoon Study, 2001.

- Small format stores were used to a lesser extent (16%).
- ½ of vehicle owners did not feel that distance to the store impacted their food buying decisions.
- For non-vehicle owners, distance was a critical factor.
- Almost all participants (95%) shopped at the large format stores in at least the 2 of the 4 weeks reporting. Income may not influence patronage of an outlet.
- Approximately 75% of the group traveled 3 kilometres or less to buy food.
- Price, product variety, and convenience were the primary reasons for deciding where to buy food.

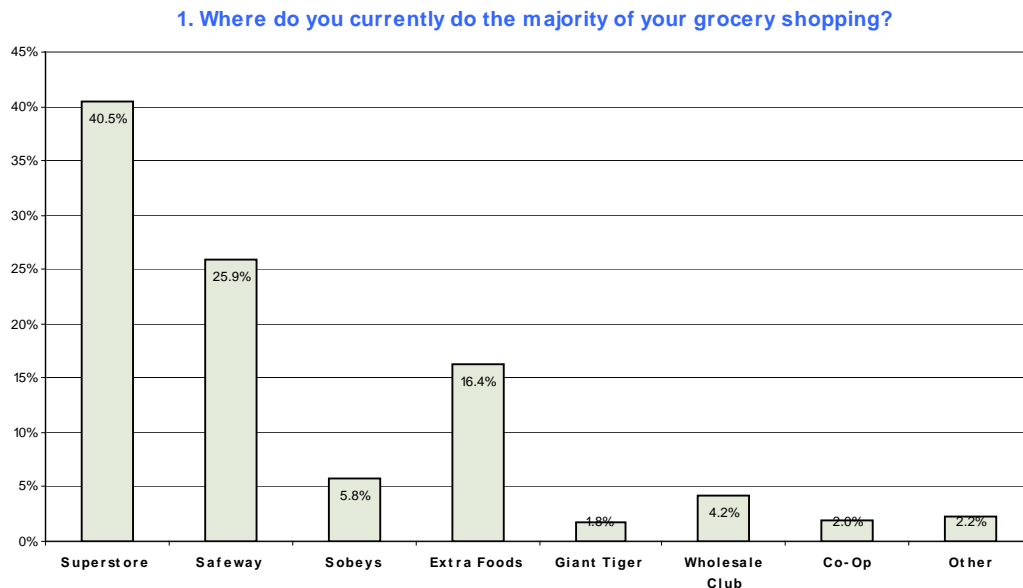
4.6 DIRECT & INDIRECT COMPETITION

Within North Central there are several service operations and convenience stores that would create competition for the proposed community grocery store. The two most notable in terms of any potential direct local competition are Klein's on 4th Avenue and the Grab Bag Confectionery on 5th Avenue.

Surrounding the North Central community boundary are four more immediate and competitive grocery-shopping clusters. These competitive shopping clusters would make it impractical to establish a grocery store too close to Lewvan Drive, on Albert Street, or along Saskatchewan Drive. Such a location would also not assist in the objective of meeting and serving the food security needs of the North Central community.

1. The 13th Avenue shopping cluster to the south (this competitive area is about a 12 block-plus walk from the heart of North Central, and is less of a direct threat in terms of impacting the customer base and projected sales);
2. The Extra Foods, Shoppers Drug Mart and Shell Gas shopping area west of Lewvan Drive (this area is 7 blocks east from Lewvan Drive and does currently draw reasonable traffic from the North Central community area. This location represents much more competition in terms of any potential store established in the community);
3. A Giant Tiger store and the whole Tower shopping cluster on the corner of Avonhurst Drive and Albert Street (this shopping area is approximately 4 walking blocks from the northern corner of North Central. While this location appears to be closer in proximity, it does not represent a large portion of competition, given the shopping patterns of North Central residents); and
4. The Broad Street & 4th Avenue location, which has the Wholesale store on the corner (this store is approximately a 12 block distance from North Central. However, it does experience good traffic in terms of sales and consumer from the North Central area).

Based on the findings from ARCAS, while there are at least four shopping alternatives close to North Central residents, these stores do not represent a significant portion of consumer sales. The more indirect-area competitors in fact represent the greatest threat and impact in terms of potential customers and projected sales for a possible community grocery store to be established within the North Central community of Regina. The next chart outlines where residents' currently do the majority of their grocery shopping:



4.7 LOCAL INDUSTRY/COMMUNITY COMMENTS

In discussions and personal surveys with industry experts, entrepreneurs, retailers, and small local grocery store owners, the following comments and observations were recorded in order to provide additional qualitative perspectives on the issue:

“The industry is tight, and getting tighter”.

“The market is getting more aggressive”.

“Several of our \$2.0M to \$4.0M gross sales stores do not generate an operating profit. The only activity that keeps the grocery store operating are profits from a gas bar and hardware store”.

“It’s impossible to offer any huge type of variety given the store size. This factor will inhibit the market sales potential significantly. This will also hinder the store pricing. As well, it is unlikely that a community that size could support a store larger than 6,000 square feet”.

“The store would likely be more successful if it were part of a larger hub or centre of activity”.

This type of business venture will require “... a lot of dollars to invest just to get to zero”!

A store of this type and size is “... not strategically positioned, especially if convenience and price are key” to consumers.

V. ASSESSING FEASIBILITY

This study has taken a deductive approach to determining, testing and assessing feasibility. The steps (or deductive questioning), outlined in more detail below, were as follows:

1. Does a review of the literature support the possibility of operating a community grocery store?
2. Is there significant market potential and consumer demand?
3. What are reasonable sales projections (based on industry standards and input) for North Central Regina residents? Would the sales per square foot be within the industry average?
4. What is a reasonable top market share and how many years would be required to reach that sales goal?
5. Would sales revenue be at least sufficient to cover salary costs, after factoring in an industry trusted cost-of-goods-sold amount?
6. After considering all variable and fixed costs (using industry cost assumptions), could the store maintain an operating profit?
7. What would the break-even point be and would this level of sales a reasonable sales target?
8. Considering the initial capital and start-up expenses, would the venture achieve a normal return on investment? How long would the payback period be?

5.1 LITERATURE REVIEW

Findings – Some literature related to community inner-city grocery store development suggests the possibility of successful operations. However, as is outlined below, this research and literature is inconclusive as it applies to North Central Regina. Successful community business models and “best practices” standards exist. These examples, nonetheless, lack overwhelming evidence and applicability when compared to Regina. One should be cautious to base opening a store on the literature alone.

- Studies from Canada and the U.S. have demonstrated that inner-city neighbourhoods may represent an untapped and viable retail market place in which to do business¹⁶. Recent business ventures have discovered that within certain communities there is a consumer spending power that is underestimated¹⁷. However, this type of market success requires a concentrated consumer base of shoppers cited as the primary competitive advantage in the inner city. Inner-city sales volume is a function of income density, not income¹⁸. Only if the market is highly concentrated will there be sufficient buying power to support a grocery store operation.

- Similar studies out of Saskatoon are starting to recognize that market demand for inner-city stores might be considerable in size ¹⁹ and that lower incomes do not always result in significantly lower retail spending. As well, if population density conditions are favourable, low-income inner-city urban neighbourhoods have been found to spend approximately 89% as much as their suburban counterparts on food consumption at home²⁰.

- This consumption figure, when discussed with local industry retailers, however, appears quite high and optimistic. Regina does not have the population density that other larger centres experience. Some grocery retailers have suggested a 0.60 (or even lower) low-income coefficient may be more suitable, given that the low-income incidence in North Central Regina is below 50%.

- An earlier study conducted in 1996 indicated a feasibility ratio of population-to-stores to be 11,000 to 1²¹. This ratio, at least at a very high level, suggests the possibility that a community grocery store is worth examining. However, the study is dated and does reflect the Toronto area with possibly greater purchasing power and greater community and population density.

¹⁶ Centre for Community Capitalism study

¹⁷ The Boston Consulting Group case paper

¹⁸ Ibid.

¹⁹ Quint Annual Report 2003-04.

²⁰ U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 1999.

²¹ Toronto Food Policy Council discussion paper.

5.2 CALCULATING MARKET POTENTIAL

Findings – There does appear to be a significant or sizeable market potential in terms of annual food expenditures. The North Central Regina grocery market potential is approximately \$18.7M to \$19.2M annually.

This market potential is based on the calculations listed in the table below:

<i>Market Potential Calculations</i>			
		ARCAS Group Data	City of Regina/SaskHealth Data
<u>Step #1</u> North Central Population & Market Size		12,756 Population ²² or 5,080 Households	11,211 Population ²³ or 4,614 Private Households
		(2.5 Dwelling Density)	(2.43 Dwelling Density)
<u>Step #2</u> Spending on Food Per Household		\$306.65 A Month Per Household	\$28,000 Average Household Income x 14.85% ²⁴
<u>Step #3</u> Market Size		<u>\$18,693,384</u>	<u>\$19,185,012</u>

²² ARCAS Market Survey January 2006.

²³ Saskatchewan Health 2005 data.

²⁴ Statistics Canada 2004 Survey of Household Spending per Quintile.

5.3 SALES PROJECTIONS FOR NORTH CENTRAL REGINA

Findings – Based on industry standards, it would appear that a reasonable sales projection would be in the \$2.8M to \$3.0M range. This sales level is well supported by industry experience and a sales-per-square-foot standard for Western Canada. Note, however, that while the sales projection might be fair or defensible, it is no indication of profitability.

- On a Market Share/Percentage basis, a 6,000 square foot community grocery store within North Central Regina, with the assumed characteristics, may experience the following range of annual retail sales:

<u>Market Size</u>	\$18,939,198	\$18,939,198	\$18,939,198	\$18,939,198
<u>Revenue</u>	Year 1 (10%)	Year 2 (15%)	Year 3 (20%)	Year 4 (25%)
<u>Total Sales</u>	<u>\$1,893,920</u>	<u>\$2,840,880</u>	<u>\$3,787,840</u>	<u>\$4,734,800</u>

- Most industry data and experience suggests that a reasonable sales forecast would be \$2.84M annually or 15% of the market share. This projection would likely be the maximum amount achievable, given community location, size and store type. Assuming anything beyond \$3.0M would likely be too optimistic given current competition and location and store size. As well, note that to gain market share requires the community store to divert consumers away from competitors.
- Given the above statement, it would be difficult for a 6,000 square foot store to steal much more than 15% of the market away from the Superstores, Sobeys, and Safeways of Regina. A couple of industry retailers have suggested that even 15% might be a bit optimistic.
- And in light of the ARCAS market survey, most “direct competition” stores do not even have a significant amount of market share within this North Central market.

- The following bullets highlight the main input and industry experience provided from several retail grocery outlets and individuals.
 - “A store of this size fits the North Central market demand and would likely generate \$2.0M to \$3.5M annually”.
 - “On the low-end of the industry, this store can expect \$553 per square foot in terms of sales”, which would equal approximately \$3.3M annually”.
 - The \$2.5M to \$3.5M sales range, for a market like North Central, was confirmed during additional industry discussions and input meetings with several other local grocers.
 - Additionally, experience indicated that this type of sales level would usually not be attainable until the 3rd sales year.
 - An industry analyst had also added that usually, by the 3rd sales year, most stores peak at 15%-20% of market potential.
 - Meetings with retail distributors confirmed identical input and experience in terms of sales projections. “Given the North Central market size, a grocery store would never gross more than \$3.5M”.

Note: This input and commentary were communicated to the author by several individuals working with different aspects of the grocery store retail chain. The organizations represented include Federated Co-op, Sherwood Co-op, Lakeshore IGA, Lakeview Fine foods, and Independent Consumer Distributors.

5.4 COST-OF-GOODS-SOLD (COGS) & SALARY EXPENSES

Findings – The proposed community grocery store venture appears to have the total sales potential to cover salary expenses, after covering the COGS expense item. However, this level of sales is not likely sufficient to cover all remaining variable and fixed expenses.

- As the table below indicates, at least at this level of analysis, potential retail sales are not robust enough to operate a profitable business.

(Market Capture)	10%	15%	20%	25%
Total Sales	\$1,893,920	\$2,840,880	\$3,787,840	\$4,734,800
Less Cost of Goods Sold (80% of Sales)	-1,515,136	-2,272,704	-3,030,272	-3,787,840
Total Revenue	\$378,784	\$568,176	\$757,568	\$946,960
Less Salary & Benefits	\$280,483	\$330,970	\$390,544	\$460,842
Remaining Revenue	\$98,301	\$237,206	\$367,024	\$486,118

- The Canadian Council of Grocery Distributors and Statistics Canada data have clearly indicated that a “normal” COGS expense is 80% of gross revenue. This figure does not include shipping, freight, or supply costs (which have been included on the expense side of the income statement as a variable cost).
- Salary expenses, for a store of this sales size and character, typically represents 10-12% of gross revenue. Calculations used from industry input and Saskatchewan JobFutures data supports this percentage, generally speaking.

5.5 PRO FORMA INCOME STATEMENT

Findings – After considering all possible variable and fixed costs (using industry cost norms), the community grocery store business concept (as outlined in Section III of this study) is highly unlikely to ever attain an operating profit.

- As the table below indicates, a grocery store of this size and characteristics is not able to generate enough sales volume to overcome the significant cost structure and economics of the grocery food retail industry (*see Appendix for more details and cost assumptions*).

Pro Forma I/S

<u>Revenue</u>	Year 1 (10%)	Year 2 (15%)	Year 3 (20%)
Total Sales	\$1,893,920	\$2,840,880	\$3,787,840
Cost of Goods Sold (80% of Sales)	(1,515,136)	(2,272,704)	(3,030,272)
Total Revenue	\$378,784	\$568,176	\$757,568
<u>Expenses</u>			
Salary & Benefits	\$280,483	\$330,970	\$390,544
Security Services	\$6,000	\$6,120	\$6,242
Mortgage Expense	\$88,800	\$91,464	\$94,208
Repairs & Maintenance	\$6,300	\$6,426	\$6,555
Office Supplies	\$9,000	\$9,270	\$9,548
Property Tax	\$15,000	\$15,450	\$15,914
Utilities/Water	\$42,000	\$43,260	\$44,558
Accounting	\$5,400	\$5,562	\$5,729
Marketing & Promotions	\$32,029	\$32,990	\$33,980
Vehicle, Delivery & Travel	\$8,400	\$8,652	\$8,912
Telephone	\$5,985	\$6,165	\$6,349
Insurance	\$6,500	\$6,760	\$7,030
Interest & Bank Charges	\$5,715	\$8,572	\$11,430
Equipment Repair and Maintenance	\$4,200	\$4,326	\$4,456
Uniforms	\$1,740	\$1,792	\$1,846
Cleaning Expenses	\$6,833	\$7,038	\$7,249
Training	\$5,610	\$5,778	\$5,951
Freight/Shipping	\$56,818	\$85,226	\$113,635
Bad Debts	\$1,894	\$2,841	\$3,788
Shrinkage	\$28,409	\$42,613	\$56,818
Contingency (5%)	\$30,856	\$36,064	\$41,737
Total Expenses	\$647,971	\$757,340	\$876,479
Earnings (before Taxes & Depreciation)	(\$288,126)	(\$217,572)	(\$156,789)

5.6 BREAK EVEN ANALYSIS

Findings – The analysis undertaken suggests that the proposed community grocery store is most unlikely to achieve the volume of sales necessary for a break-even outcome. The point of total sales required for the community store to reach break-even is unusually high for that market area and type of store model.

- Total Annual Sales would have to reach at least 30% of the market potential in order to post an “operating” profit, before applicable taxes and depreciation. The following table (using Income Statement analysis) demonstrates the difficult point for break-even to occur.

<u>Market Size</u>	\$18,939,198	\$18,939,198	\$18,939,198	\$18,939,198	\$18,939,198
<u>Revenue</u>					
	(10%)	(15%)	(20%)	(25%)	(29%)
Total Potential Sales	\$1,893,920	\$2,840,880	\$3,787,840	\$4,734,800	\$5,492,367
Less COGS	(1,534,075)	(2,301,113)	(3,068,150)	(3,835,188)	(4,448,818)
Total Revenue	\$359,845	\$539,767	\$719,690	\$899,612	\$1,043,550
<u>Expenses</u>					
Salary & Benefits	\$280,483	\$330,970	\$390,544	\$460,842	\$460,842
Security Services	\$6,000	\$6,120	\$6,242	\$6,367	\$6,367
Mortgage Expense	\$88,800	\$88,800	\$88,800	\$88,800	\$88,800
Repairs	\$6,300	\$6,426	\$6,555	\$6,686	\$6,686
Office Supplies	\$9,000	\$9,270	\$9,548	\$9,835	\$9,835
Property Tax	\$15,000	\$15,450	\$15,914	\$16,391	\$16,391
Utilities/Water	\$42,000	\$43,260	\$44,558	\$45,895	\$45,895
Accounting	\$5,400	\$5,562	\$5,729	\$5,901	\$5,901
Marketing	\$32,029	\$32,990	\$33,980	\$34,999	\$34,999
Vehicle & Delivery	\$8,400	\$8,652	\$8,912	\$9,179	\$9,179
Telephone	\$5,985	\$6,165	\$6,349	\$6,540	\$6,540
Insurance	\$6,500	\$6,760	\$7,030	\$7,312	\$7,312
Interest Charges	\$5,715	\$8,572	\$11,430	\$14,287	\$15,187
Equipment Repair	\$4,200	\$4,326	\$4,456	\$4,589	\$4,589
Uniforms	\$1,740	\$1,792	\$1,846	\$1,901	\$1,901
Cleaning Expenses	\$6,833	\$7,038	\$7,249	\$7,467	\$7,467
Training	\$5,610	\$5,778	\$5,951	\$6,130	\$6,130
Freight/Shipping	\$56,818	\$85,226	\$113,635	\$142,044	\$164,771
Bad Debts	\$1,894	\$2,841	\$3,788	\$4,735	\$5,492
Shrinkage	\$28,409	\$42,613	\$56,818	\$71,022	\$82,386
Contingency	\$30,856	\$35,931	\$41,467	\$47,546	\$49,333
Total Expenses	\$647,971	\$754,542	\$870,801	\$998,467	\$1,036,003
Earnings (before Taxes & Depreciation)	(\$288,126)	(\$214,775)	(\$151,111)	(\$98,855)	\$7,547

5.7 CAPITAL & START-UP COSTS

Findings – Total start-up, capital infrastructure, and inventory costs amount to approximately \$1.167M. This amount represents roughly \$194/square foot (a normal industry average). Considering this initial capital and start-up expense – in light of the operating deficit – it is quite clear that no solid return on investment or payback period is reasonably possible. As was referenced earlier in comments from industry representatives, this venture will require a significant investment without any “reasonable” prospect of ever achieving a break-even level of operation.

- As the table below outlines, this cost estimate includes site purchase and preparation, equipment purchase and installation, shelving and operational requirements, 15% for unforeseen expenses, plus all applicable taxes.

Capital Costs for 6,000 sq. ft. Grocery Store	
Building	\$510,000
Sewer/Water Connections	\$15,000
Site Preparation/Parking Lot	\$18,000
Value of Property	\$54,000
Refrigeration Equipment	\$190,000
Shelving, Racking, Carts, Baskets, Lifts, Jacks, Stock, etc...	\$30,000
General Operating Equipment and Supplies	\$73,000
15% Contingency	\$133,500
Applicable taxes (14%)	\$143,290
Total =	\$1,166,790.00

APPENDIX

- A.** Defined Geographic Boundary of Study &
Food Security Definition
- B.** Industry *Best Practices* Research Findings
- C.** *Pro Forma* Income Statement & Critical Assumptions
- D.** Capital Plan Blueprint & Start-Up Costs
- E.** Bibliography
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North Central Community Grocery Store

Pro Forma Financial Statement

Market Size	\$	18,939,198	\$	18,939,198	\$	18,939,198
		Year 1		Year 2		Year 3
		(10%)		(15%)		(20%)
Revenue						
Total Potential Sales		\$1,893,920		\$2,840,880		\$3,787,840
Cost of Goods Sold (81% of Sales)		-1,534,075		-2,301,113		-3,068,150
Total Revenue		\$359,845		\$539,767		\$719,690
Expenses						
Salary & Benefits		\$280,483		\$330,970		\$390,544
Security Services (\$500/month)		\$6,000		\$6,120		\$6,242
Mortgage Expense		\$88,800		\$91,464		\$94,208
Repairs & Maintenance		\$6,300		\$6,426		\$6,555
Office Supplies (\$750/month)		\$9,000		\$9,270		\$9,548
Property Tax (\$2.50/sq.ft.)		\$15,000		\$15,450		\$15,914
Utilities/Water (\$6.50/sq.ft.)		\$42,000		\$43,260		\$44,558
Accounting (\$450/month)		\$5,400		\$5,562		\$5,729
Marketing & Promotions		\$32,029		\$32,990		\$33,980
Vehicle, Delivery & Travel		\$8,400		\$8,652		\$8,912
Telephone (7 phone lines)		\$5,985		\$6,165		\$6,349
Insurance		\$6,500		\$6,760		\$7,030
Interest & Bank Charges		\$5,715		\$8,572		\$11,430
Equipment Repair and Maintenance		\$4,200		\$4,326		\$4,456
Uniforms		\$1,740		\$1,792		\$1,846
Cleaning Expenses		\$6,833		\$7,038		\$7,249
Training (2% Add-On to Staffing)		\$5,610		\$5,778		\$5,951
Freight/Shipping (3.0%)		\$56,818		\$85,226		\$113,635
Bad Debts (.01% of Sales)		\$1,894		\$2,841		\$3,788
Shrinkage (1.5%)		\$28,409		\$42,613		\$56,818
Contingency (5%)		\$30,856		\$36,064		\$41,737
Total Expenses		\$647,971		\$757,340		\$876,479
Earnings (before Taxes&Depreciation)		(\$288,126)		(\$217,572)		(\$156,789)

Notes to the Financial Statements

1. Market potential scale showing 20% by year 3 is based on industry advice and experience.
Market potential calculations at varying percentage points also serve to demonstrate sensitivity analysis.
Sales Forecast (industry findings also suggested \$553/sq. ft. in sales, which equals \$3.318M).
2. COGS = industry standards (Statistics Canada and Canadian Council of Grocery Distributors).
3. Expenses assume a 6,000 square foot store.
4. Salary based on attached spreadsheet and industry standards.
Benefits add 16% to salary to account for holidays, EI, benefit premiums, etc..
Salary expense of 10% - 12% is an accepted industry standard for a store this size.
Salary expense increases 15% annually to account for staffing needs associated with increased sales.
5. Inflationary Adjustment assumes 3%.
6. Security Services assumes electronic system installed with night driver hired.
7. Mortgage expense is based on Infrastructure costs of \$1.164M, paid off over 300 months.
Assumes 6% annual interest.
Monthly payments = \$7400.
8. Repairs & Maintenance - \$1.05 per square foot.
Note that this expense can vary depending upon the year and the building.
9. Office Supplies - advice from local grocers.
10. Property Tax quote provided by Remax Commercial realtor for area.
11. Utilities quote provided by Remax Commercial realtor for area.
12. Legal & Accounting - cost based on local grocery experience.
13. Marketing & Promotions - weekly community flyer distribution to all households (Leader Post rates).
14. Vehicle, Delivery & Travel - assumes \$320/month rental plus \$0.16 per km (25,000 km annually)
Figures are based on CVA rates.
15. Telephone expense assumes 7 lines for equipment, long distance, fax charges, internet, and usage.
16. Insurance Expense - quote provided by ISI Insurance.
17. Interest & Bank Charges - expenses based on the following:
The average transaction equals roughly \$45.
Credit Cards (used 7.2% of the time) charge approximately 1.65% per transaction
Debit Cards (used 55% of the time) charge approximately \$0.15 per transaction.
18. Equipment Maintenance - this dollar amount is a guestimate to cover for monthly needs.
19. Uniforms - this dollar amount is a guestimate to cover for cleaning and replacement of uniforms.
20. Cleaning Expenses - equals roughly \$1.15 per square foot.
Note that this expense varies depending upon desired level and frequency of cleaning.
21. Training - 2% costs accounts for OH&S, computer training, systems, staff-turnover, etc.
22. Freight/Shipping - assume a rate of 3%, based on local grocer input.
23. Bad Debts - the use of Debit, Cash, and Credit cards should keep this expense to a minimal.
24. Shrinkage (1.5%) - higher than some local stores, but a fair account for old, damaged, or stolen goods
25. Contingency (5%) - accounts for unforeseen and unplanned expenses and incidentals.

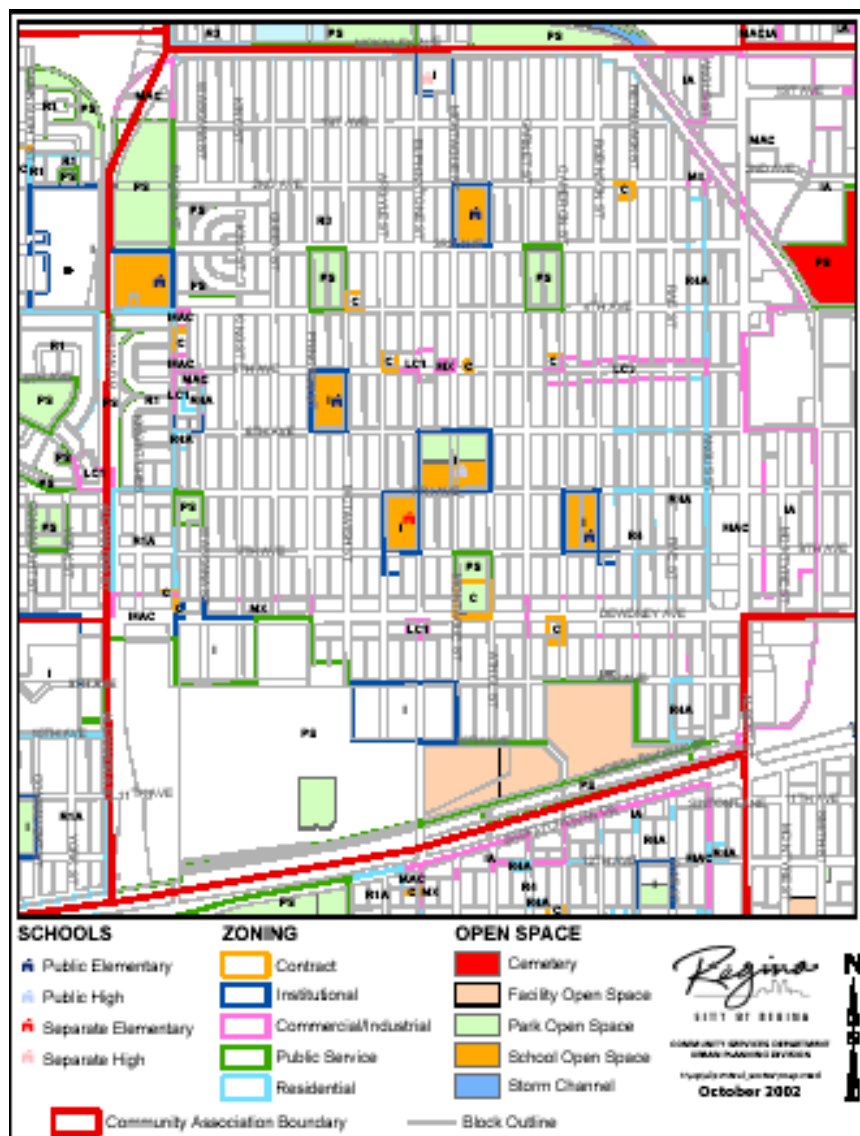
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APPENDIX A

DEFINED GEOGRAPHIC BOUNDARY OF STUDY

For the purposes of this feasibility study, North Central Regina, as a population, included all residents within the area north of Saskatchewan Drive, west of Albert Street, east of Lewvan Drive, and south of the train tracks that run along McKiley Avenue. The map below outlines the geographic area used for completing the study:



FOOD SECURITY DEFINITION

Throughout the business concept and feasibility study document, the term “food security” was used frequently. The understanding and usage of that term is based on the definition provided by *The Centre for Studies in Food Security* ¹ organization based out of Ryerson University as well as the *Agriculture and Agri-Food Canada* ² interpretation. Those definitions are outlined below:

THE CENTRE FOR STUDIES IN FOOD SECURITY

- The Food and Agriculture Organization of the United Nations defines food security as "a condition in which all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life".

Five Components of Food Security:

- AVAILABILITY: sufficient food for all people at all times;
- ACCESSIBILITY: physical and economic access to food for all at all times;
- ADEQUACY: access to food that is nutritious and safe, and produced in environmentally sustainable ways.
- ACCEPTABILITY: access to culturally acceptable food, which is produced and obtained in ways that do not compromise people's dignity, self-respect or human rights.
- AGENCY: the policies and processes that enable the achievement of food security.

¹ <http://www.ryerson.ca/~foodsec/centreFSDefined.html>

² http://www.agr.gc.ca/misb/fsb/fsb-bsa_e.php?section=fsap&group=prog2&page=toc-tdm

AGRICULTURE AND AGRI-FOOD CANADA

- Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.
(World Food Summit 1996)

Key components of Food Security

- Production or availability of nutritionally adequate and safe food
- Access or capacity to acquire nutritionally adequate and safe food.

Facts About Food Security

- The world produces enough food to feed everyone. However, there are countries, regions within countries, villages within regions, households within villages and individuals within households that are not able to meet their food needs.
- Food security requires an available and reliable food supply at all times.
- Individuals and households must have access to sufficient, safe and nutritious food both in quantity and in quality to meet their daily dietary requirements for a healthy and productive life.
- Over 800 million human beings do not have enough to eat in a world that produces enough food to feed every man, woman and child.
- The paradox is that global food security exists alongside individual food insecurity. Vulnerable people in Canada are unable to meet their food needs without compromising other basic needs.
- Food security is a complex, multifaceted issue that can only be fully addressed through the active cooperation of all actors including federal and provincial departments and civil society groups.
- Food Security has been interpreted broadly to include access, availability and utilization of food. It is of growing importance in the Canadian context as an access issue, whereby vulnerable individuals cannot obtain food without problems in meeting other basic needs.
- At the World Food Summit in Rome, in 1996, Canada joined 186 other nations to endorse the Summit's goal to eradicate hunger and

to reduce the number of undernourished people by half, no later than 2015.

- Food security has become an issue of increasing public concern. With the recession of the 1980s the demand for food assistance rose dramatically and a massive charitable food assistance system emerged. The first Food Bank in Canada was established in 1981 in Edmonton, Alberta. Although very few statistics on the use of charitable food assistance programs exist, there is ample evidence that the number of Food Banks, collective kitchens, school-based breakfast or community-based feeding programs geared to the needy has risen sharply. Results from the HungerCount: A Surplus of Hunger survey (2000) indicated that 726,902 people, of which 40% were under 18 years of age, received emergency groceries from a food bank. The Canadian Association of Food Banks estimates that 2.4 million Canadians suffer from hunger.
- There is strong evidence of food-related health and nutritional problems in Canada, particularly in children, the aboriginal community, single mothers and the elderly. For Aboriginals, contaminants in water and traditional food supplies is a significant concern.
- There is increasing consumer awareness of and concern about food quality and safety including biotechnology, genetic engineering, chemical fertilizers and pesticides.

Vulnerable Groups

- Vulnerable groups include: single parent women, children, elderly people, aboriginals, homeless persons, unemployed people, refugees and new immigrants.

Issues Affecting Food Security

1. Poverty
 - A primary obstacle to food security is poverty.
 - Canadians living in poverty are faced with food insecurity.
2. Access to Food

- Despite the high level of supplies of healthy food in Canada, there are disparities in access to food and in nutritional well-being. Vulnerable groups are the most affected.
- In Canada, social safety net programs helping vulnerable persons purchase food include : Federal Employment Insurance, Old Age Security, Child Tax Benefit and the Canada Health and Social Transfer Program.
- Non-governmental organizations (NGOs) and local administration, with support from federal and provincial governments help provide access to food and other supports needed by vulnerable persons

APPENDIX B

INDUSTRY *BEST PRACTICES*

Based on a review of successful inner-city groceries stores from across North America, as well as meetings and discussions with local groups and individuals, the following business practices have been identified and market-tested in terms of developing a viable and successful inner-city retail grocery store and marketing plan:

1. **COMMUNITY INVOLVEMENT & OWNERSHIP** – the success, loyalty and ongoing patronage of a community store and development of a preferred store for consumers (brand loyalty) relies upon the store and its management to foster relationships and a “connectedness” to the community families and organizations. This relationship requires that “community” be integrated as best as possible into several aspects of the business model (i.e. site selection, marketing, purchasing, human resources/employment, etc.)

This community aspect also requires that a grocery store be seen to act as a good citizen and to keep and adopt the goals of that community. A solid local customer-targeted service focus and first class customer service is a must, in order to compete with the price economics of the industry.

Other variables with respect to community involvement and leadership include communicating the vision throughout the organization, setting high standards, and believing in the viability of the inner-city enterprise.

Examples from the literature of actions taken include:

- Home van service.
- Support local schools and their activities.
- Create local incentive programs with schools around education.
- Develop scholarships for students.

2. **SOLID BUSINESS PRACTICES & OPERATIONAL EXCELLENCE** – while ensuring that a sense of community-ownership is fostered, it is also important to balance this against a solid business model and good day-to-day business practices. The most successful stores reviewed in the literature never forgot that they were in fact a business and not a human service organization.

This operational excellence requires demand for tight operational processes and standards, the hiring of managers with requisite capabilities, and the advocacy of a strong but sensitive management of employees. As well, the store will need qualified staff with solid human resource practices (workforce development and retention are key to delivering on service, ensuring the business side is solid, and creating brand loyalty). Other areas of business practice to keep on top of include:

- Inventory management.
- Effective staffing levels.
- Strict accounting controls and financial management.
- Continual upkeep of store.
- Attentive customer service.
- Marketing that targets inner-city needs.
- Basic, quality goods and services.
- Local employee recruitment efforts.
- Training internship programs.
- Clean stores, stress-free shopping, and respect for the community.

3. **ENCOURAGE LOCAL ENTREPRENEURS AND BUSINESS DEVELOPMENT** – as the store becomes successful, it is important that this business growth creates additional multiplier benefits and opportunities for local residents. For example, if the store decides to offer transportation services, it may want to consider offering local individuals to run that aspect from a business perspective. Other examples include supply contracts with craft-makers within the community and its organizations, or security services contracted out to a local company that employs youth.
4. **HANDS-ON MANAGEMENT STYLE** – a local community grocery store will need to seek out a manager that identifies with the community and has a high degree of involvement already. The individual will need to be an accessible figure to both employees and customers. There is no job the manager will not do and no job is too small. This individual is critical to the delivery of all other “best practice” elements and must emulate commitment and local leadership.
5. **CREATE UNIQUE MARKET/COMMUNITY NICHE** – when developing the product line, it is important to tailor the food and services offered according to community and cultural needs, while also balancing against the generic needs of most consumers. The store needs to understand the customer as a customer and its community. Create an environment where customers feel comfortable and are treated with respect.

APPENDIX C

***PRO FORMA* INCOME STATEMENT**

& CRITICAL ASSUMPTIONS

APPENDIX D

CAPITAL PLAN BLUEPRINT & START-UP COSTS

Total start-up, capital infrastructure, and inventory costs amount to approximately \$1.167M. This amount represents roughly \$194/square foot (a normal industry average). The table below outlines this cost estimate, which includes site purchase and preparation, equipment purchase and installation, shelving and operational requirements, 15% for unforeseen expenses, plus all applicable taxes.

Capital Costs for 6,000 sq. ft. Grocery Store	
Building	\$510,000
Sewer/Water Connections	\$15,000
Site Preparation/Parking Lot	\$18,000
Value of Property	\$54,000
Refrigeration Equipment	\$190,000
Shelving, Racking, Carts, Baskets, Lifts, Jacks, Stock, etc...	\$30,000
General Operating Equipment and Supplies	\$73,000
15% Contingency	\$133,500
Applicable taxes (14%)	\$143,290
Total =	\$1,166,790.00

APPENDIX E

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APPENDIX F

**MARKET RESEARCH & COMMUNITY/
CONSUMER DATA**



*A Report on Grocery Buying Habits of
Residents of North-Central Regina*

By

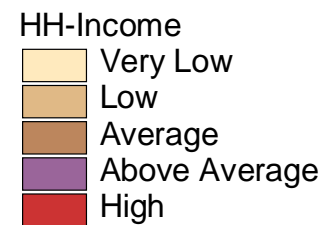


January 2006

Introduction and Goals of Research

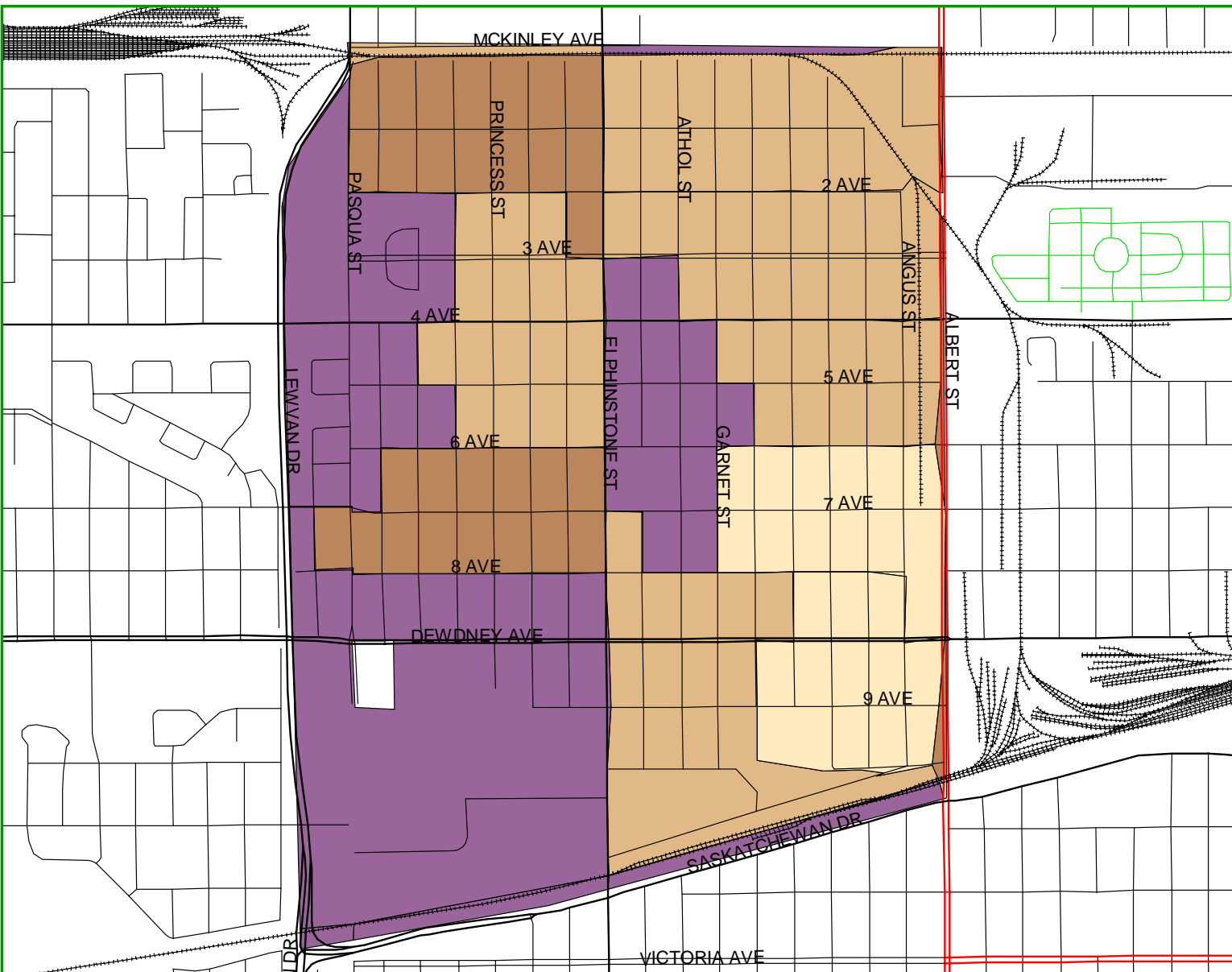
- In order to measure public perceptions and attitudes towards the development of a prospective new grocery store in North Central Saskatchewan, CS&R Associates commissioned the ARCAS Group to conduct a telephone survey.
- Key goals of research was to :
 - Understand the grocery buying habits, mindset and behaviour of residents of North Central Regina.
 - Establish the key drivers of grocery buying behaviour.
 - Assess the viability and acceptability rate of a new grocery store in North Central Regina
- Responses were aggregated and tracked according to the defined geography of North Central Regina.

North Central Regina



ARCAS
STRATEGIC MARKETING GROUP

North Central Regina



ARCAS
STRATEGIC MARKETING GROUP

Methodology

- Survey instrument was designed by ARCAS Group Inc. in conjunction with CS&R Associates and other key project stakeholders.
- During the period January 16, 2006 to January 20, 2006, **501** completed interviews were conducted by telephone survey. Interviews were administered randomly in North Central Regina.
- The telephone interviews were conducted utilizing computer assisted telephone interviewing and data collection methods with trained, professional telephone interviewers and validated by on-site supervisors.
- The survey was designed to allow for analysis of the entire sample and also of various subsets of the sample. Cross tabulation analysis was also conducted utilizing various demographic information provided by the respondents.

Methodology-Sample Strategy

- The margin of error for the entire province wide sample with 501 completed surveys is ~4.2% at the 95% level of confidence, meaning that in 95 out of 100 cases, the responses indicated will be within $\pm 4.2\%$ of the responses if the entire universe were interviewed.
- The margin of error for analysis of any sub-samples will be greater.

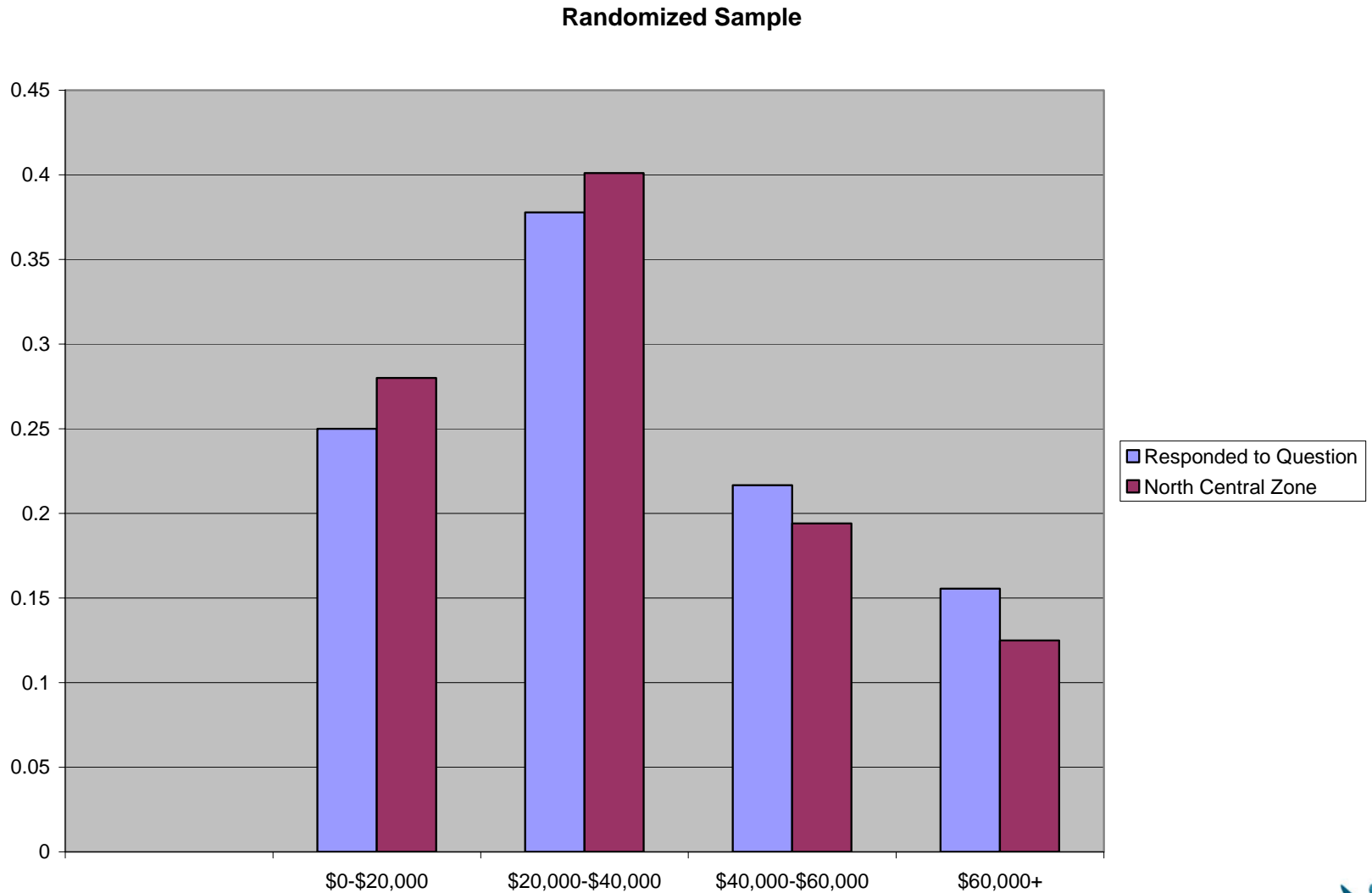
Randomized Sample

- Data capture was conducted by random sampling within the North Central Zone
- Timing of surveys was varied in order to catch diverse sample (daytime and evening calling)
- Randomization was verified by third party demographic data
- Tests for randomization were conducted
- All tests indicated that dataset was indeed random and reflective of entire North Central Zone

Randomized Sample

Income	Surveyed		Responded to Question	North Central Zone
\$0-\$20,000	90	18.0%	25.0%	28.0%
\$20,000-\$40,000	136	27.1%	37.8%	40.1%
\$40,000-\$60,000	78	15.6%	21.7%	19.4%
\$60,000+	56	11.2%	15.6%	12.5%
Refused	141	28.1%		
Total	501	100.0%	100.0%	100.0%

Quality of Sample



Confidential

Please Note:

- As with all survey research, when reviewing these data, care must be taken to draw inferences only to the universe sampled.
- It is important to note that the very nature of survey research is such that respondent's opinions and attitudes, while statistically valid within the margin of error, are measured at a particular point in time, similar in concept to a photographic "snapshot." As a respondent's information, knowledge, and field of reference change, so too may the respondent's opinions and attitudes regarding the subjects and areas tested. It is, therefore, useful and valuable to undertake future comparative measurements to get a more complete longitudinal picture of the sample universe and gain a more in depth understanding of opinions and attitudes.
- All interviews were inspected and the data entered to allow for computerized statistical analysis, graphics and table production.

Key Findings

Key Findings

- 40.5% of all respondents indicated that they currently do the majority of their grocery shopping at the Superstore. This was followed by Safeway at 25.9% and Extra Foods at 16.4%. These top three grocery chains represented ~82% of all grocery shopping.
- Superstore was frequented by 18-24 year olds (52.9%) while seniors frequented Safeway.(31.4%)
- Superstore was the location of choice (71.2%) where the household size was greater than five.

Key Findings

- Superstore on Rochdale and Sherwood Drive was the most frequented location for 38.7% of all respondents.
- 44.9% of respondents indicated that convenience of location followed by prices (35.1%) were the key reasons to shop at their location of choice.
- Males were more concerned about convenience of location while females were more concerned about price.
- For households greater than 5, price (55.8%) was the key motivator for choosing their grocery shopping location.

Key Findings

- 37.5% of all respondents choose afternoons as the time of day that they do their grocery shopping. This was followed by mornings at 29.5% and evenings at 24.2%.
- Females tended to shop in the afternoons.
- Almost 40% of respondents shopped once per week while 28.7% shopped every two weeks.
- Approximately one third 33.5% of respondents spent between \$301-\$500 on groceries monthly.

Key Findings

- The grocery expenditure was directly correlated to size of family.
- Variety of products followed by competitively priced and cleanliness of store were key satisfaction indicators.
- A vast majority **82%** of respondents drove by car for their grocery shopping.
- **7.2%** of respondents take the bus.
- **75.4%** of all respondents indicated that it was very important that they had a grocery store located in their neighbourhood.
- More than half (**54.5%**) indicated that a better location would convince them to change their grocery store.

Key Findings

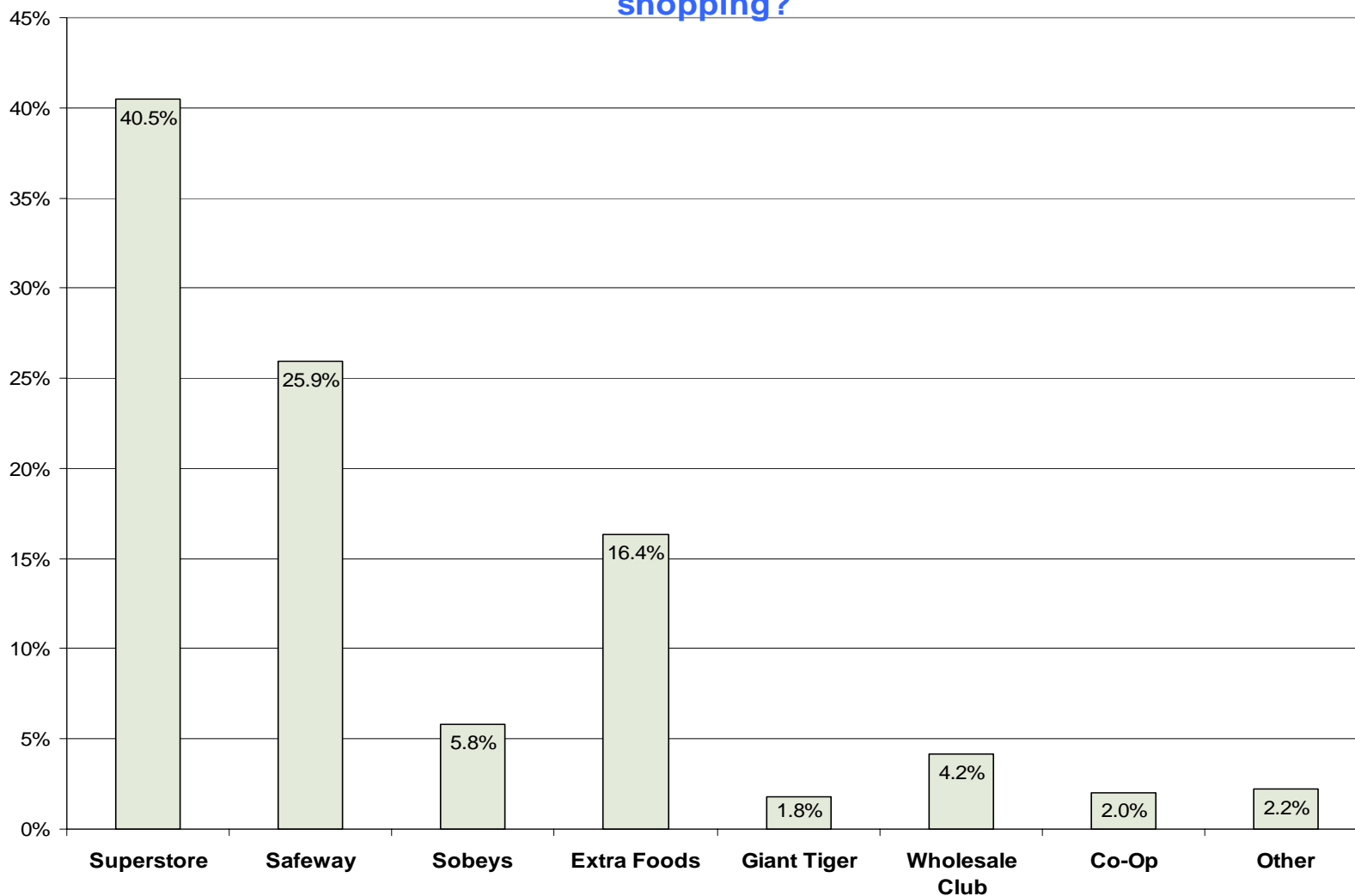
- This was followed by better pricing at **28.3%**.
- **41%** of all respondents indicated that the old Superstore location would be a good location for a new store to be located in their community.
- The most important products that respondents would like to see in their neighbourhood store are (in ranked order) dairy (**9.4**), meat (**9.0**) and dried foods (8.7). The least important item was baby items scoring **5** out of 10.

Key Findings

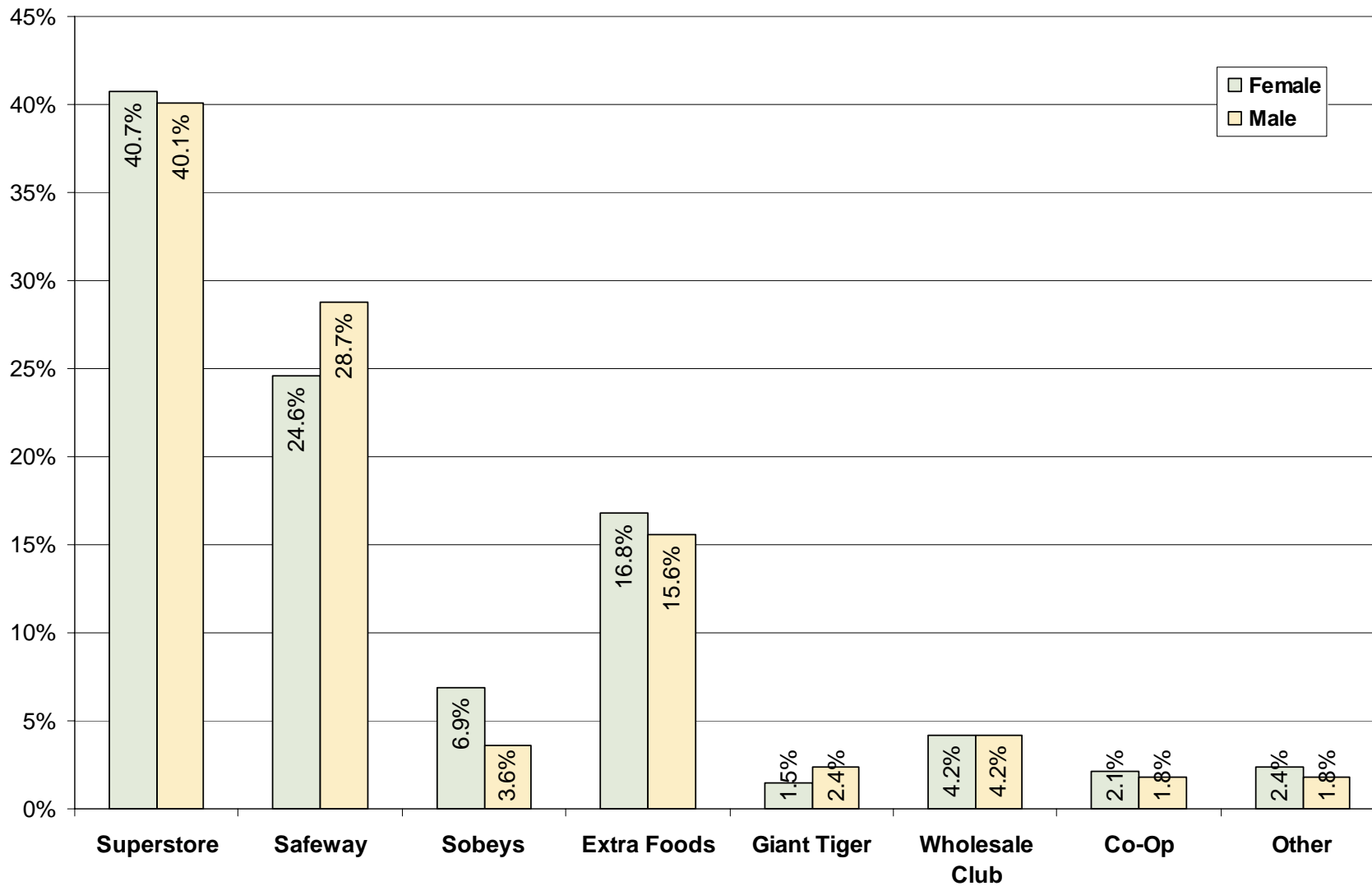
- Incentives or discount programs at 50.9% were seen as the most important services to be offered.
- 55.1% of respondents paid their grocery bills by debit while 35.3% paid by cash.
- 94.4 % of all respondents indicated that they would support a grocery store in their North Central Regina neighbourhood.
- 71.3 % of respondents indicated that they would be more likely to grocery shop if there was a neighbourhood involvement.

Survey Results

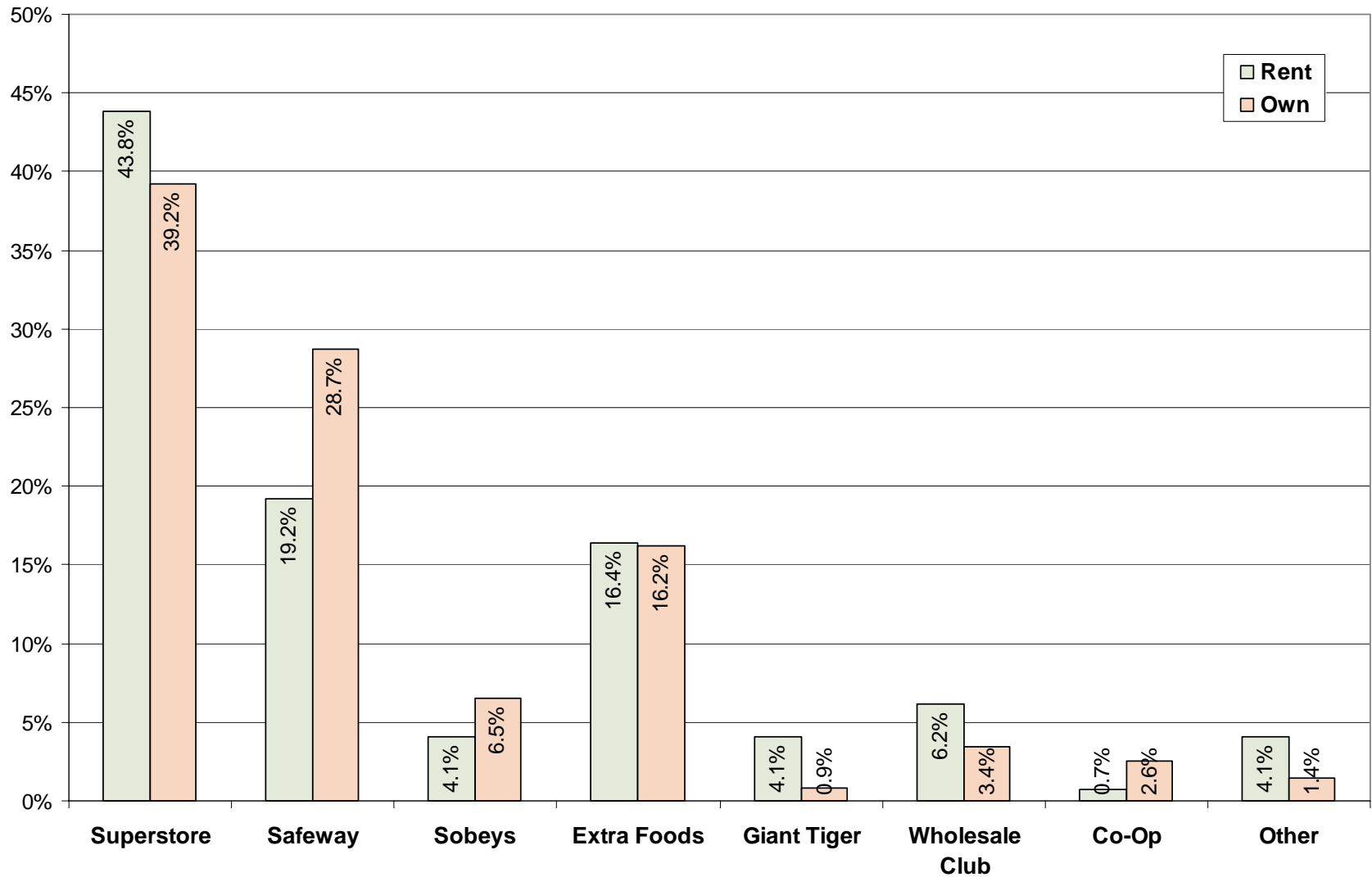
1. Where do you currently do the majority of your grocery shopping?



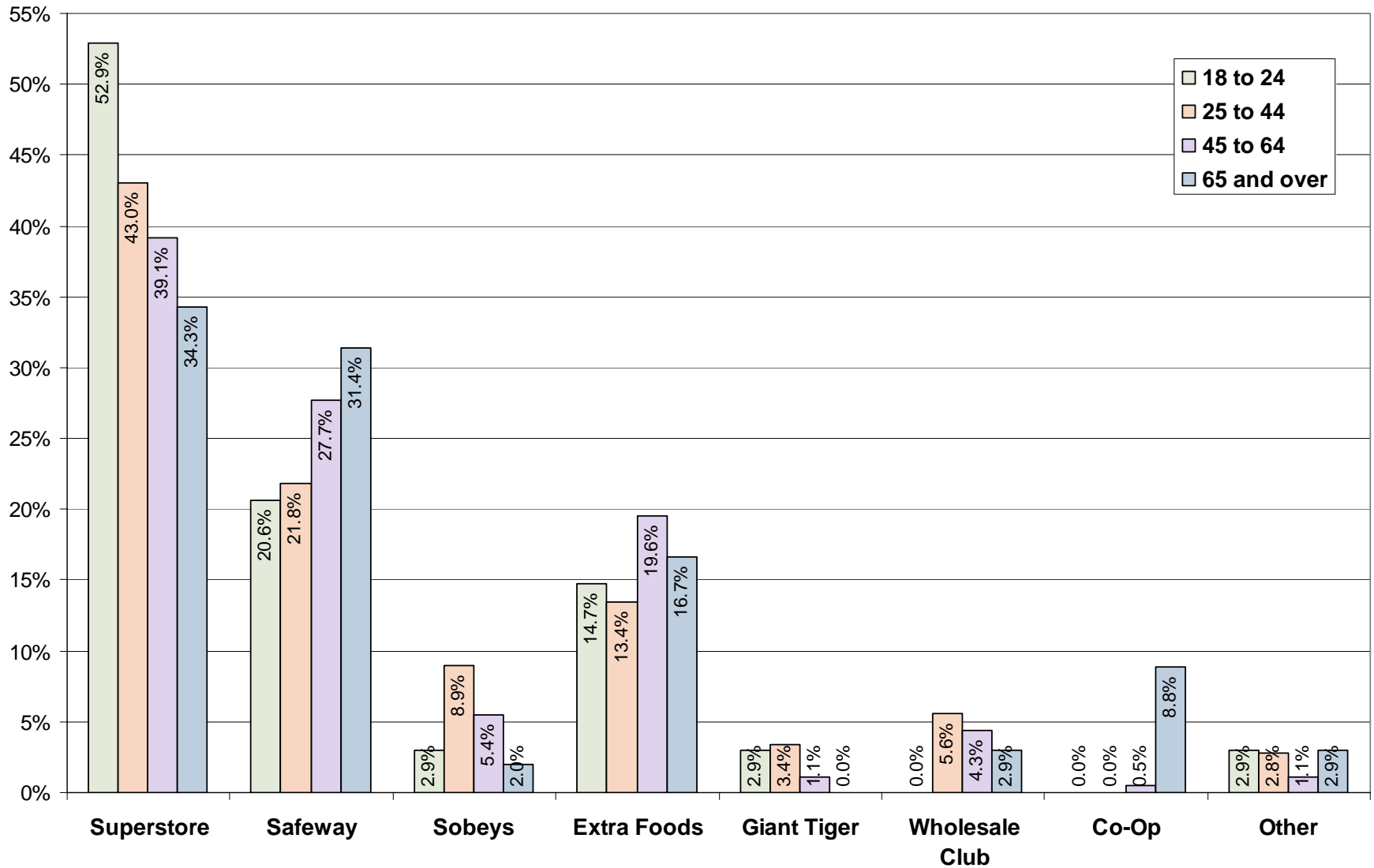
1a. Grocery Store by Gender



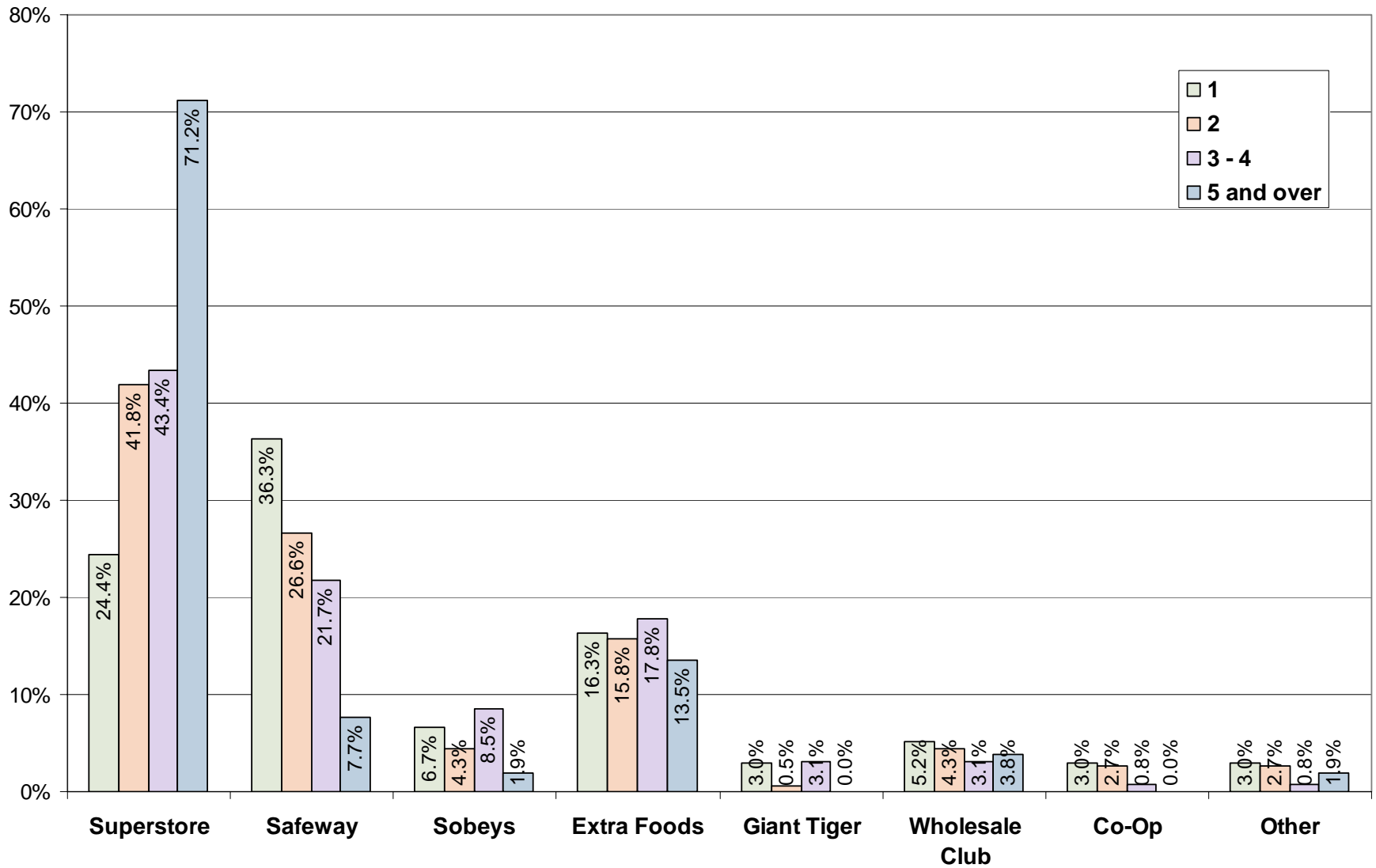
1b. Grocery Store by Dwelling Type



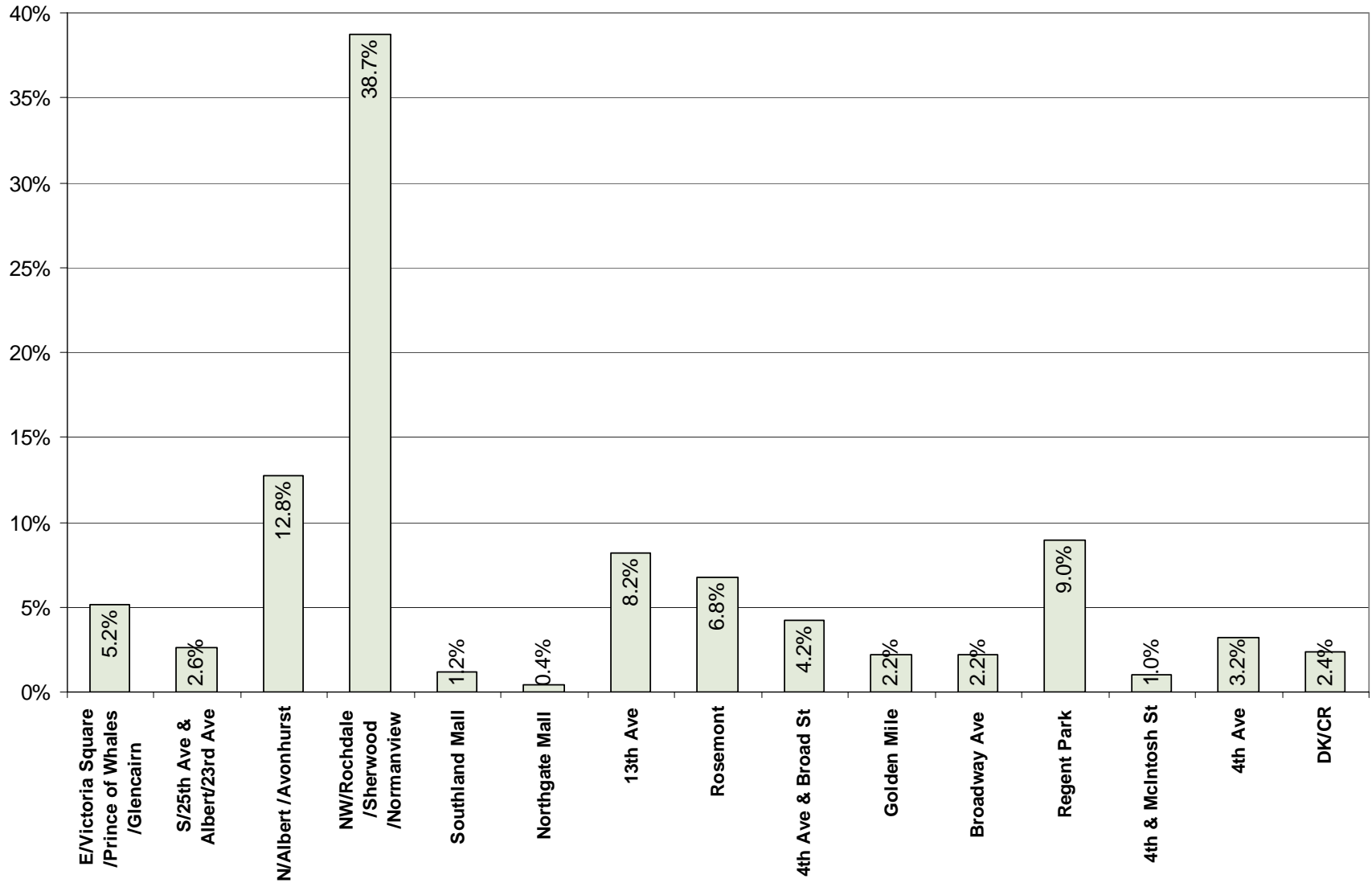
1c. Grocery Store by Age



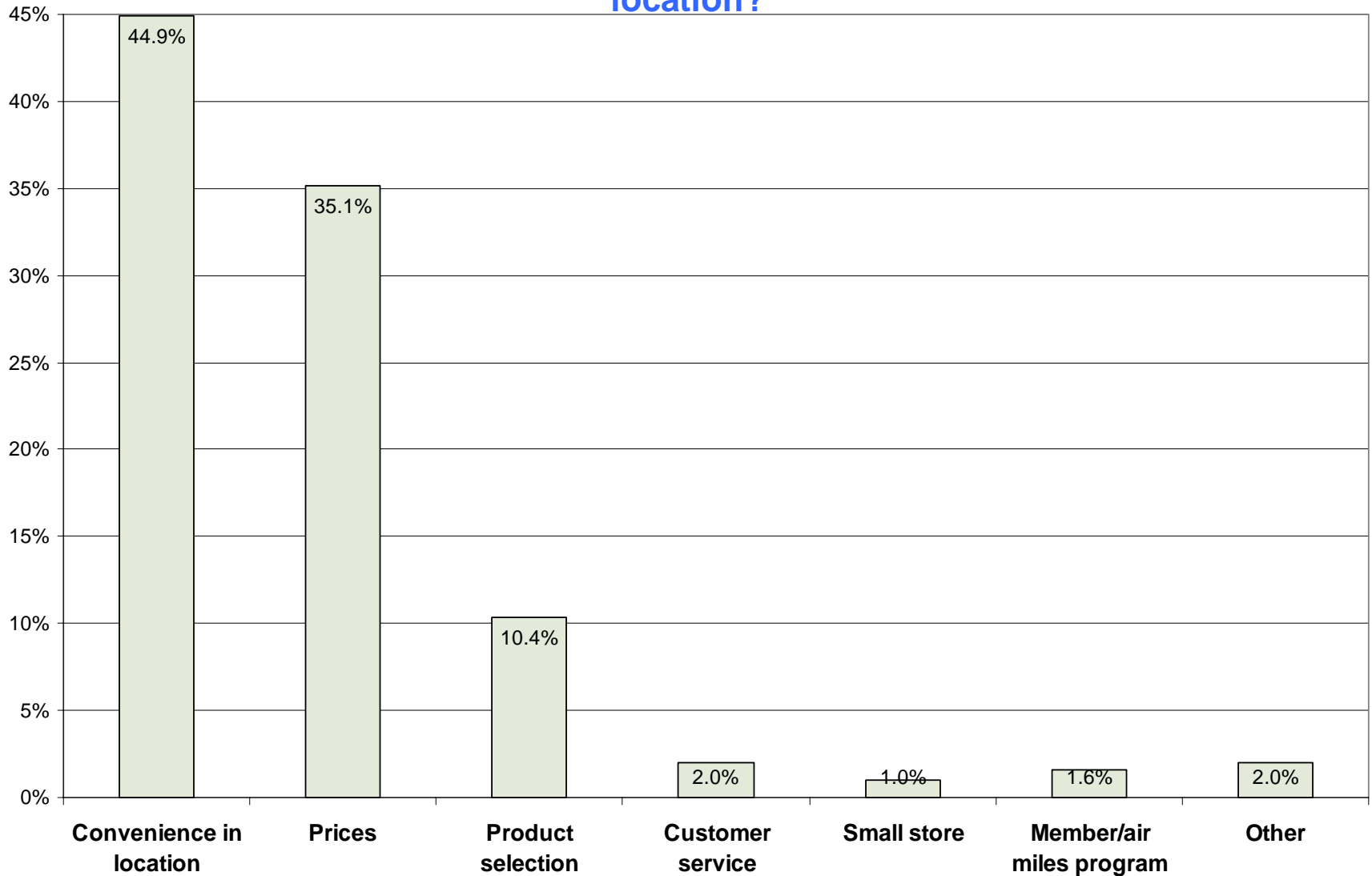
1d. Grocery Store by Household Size



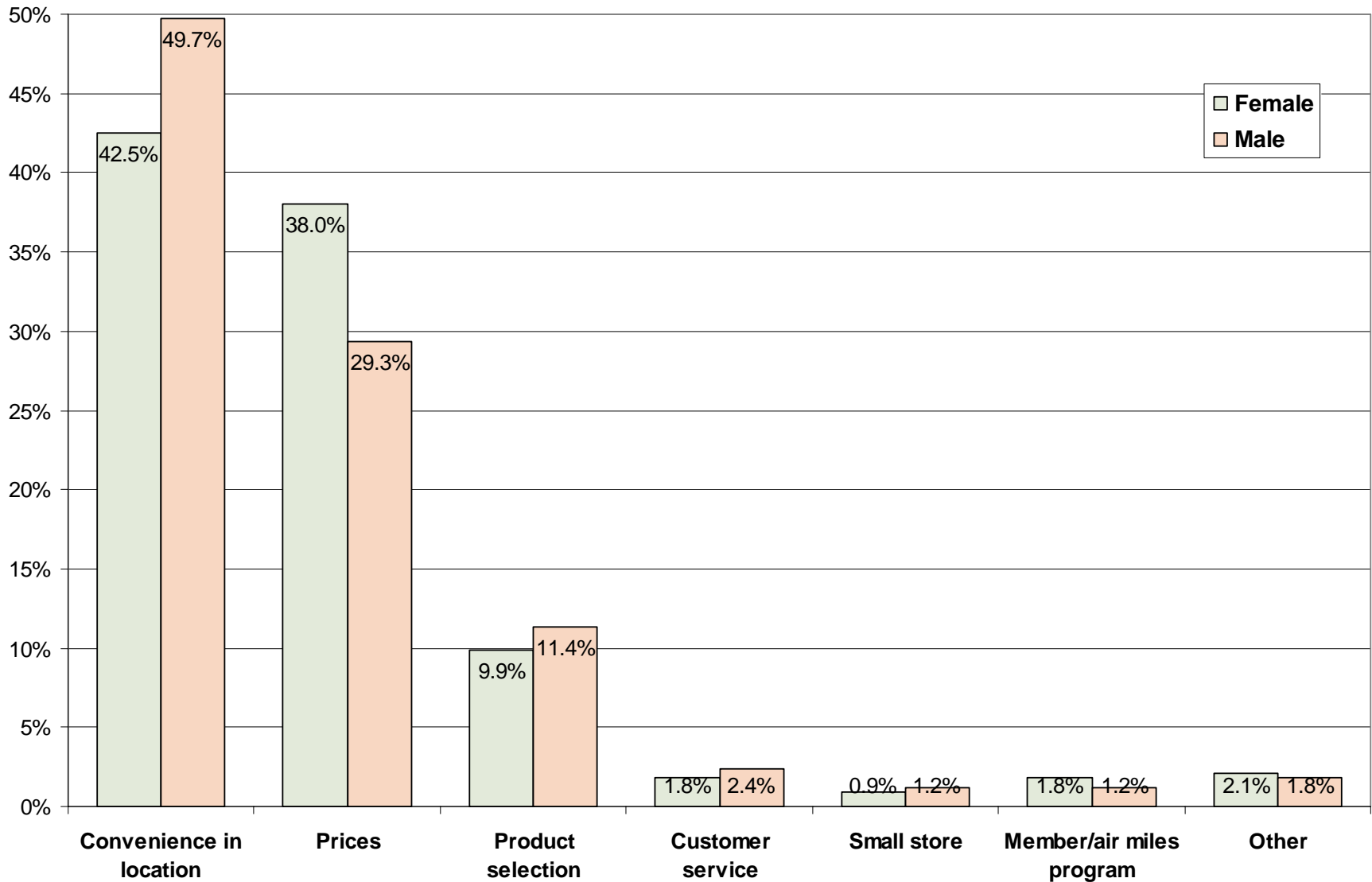
2. Which location would that be?



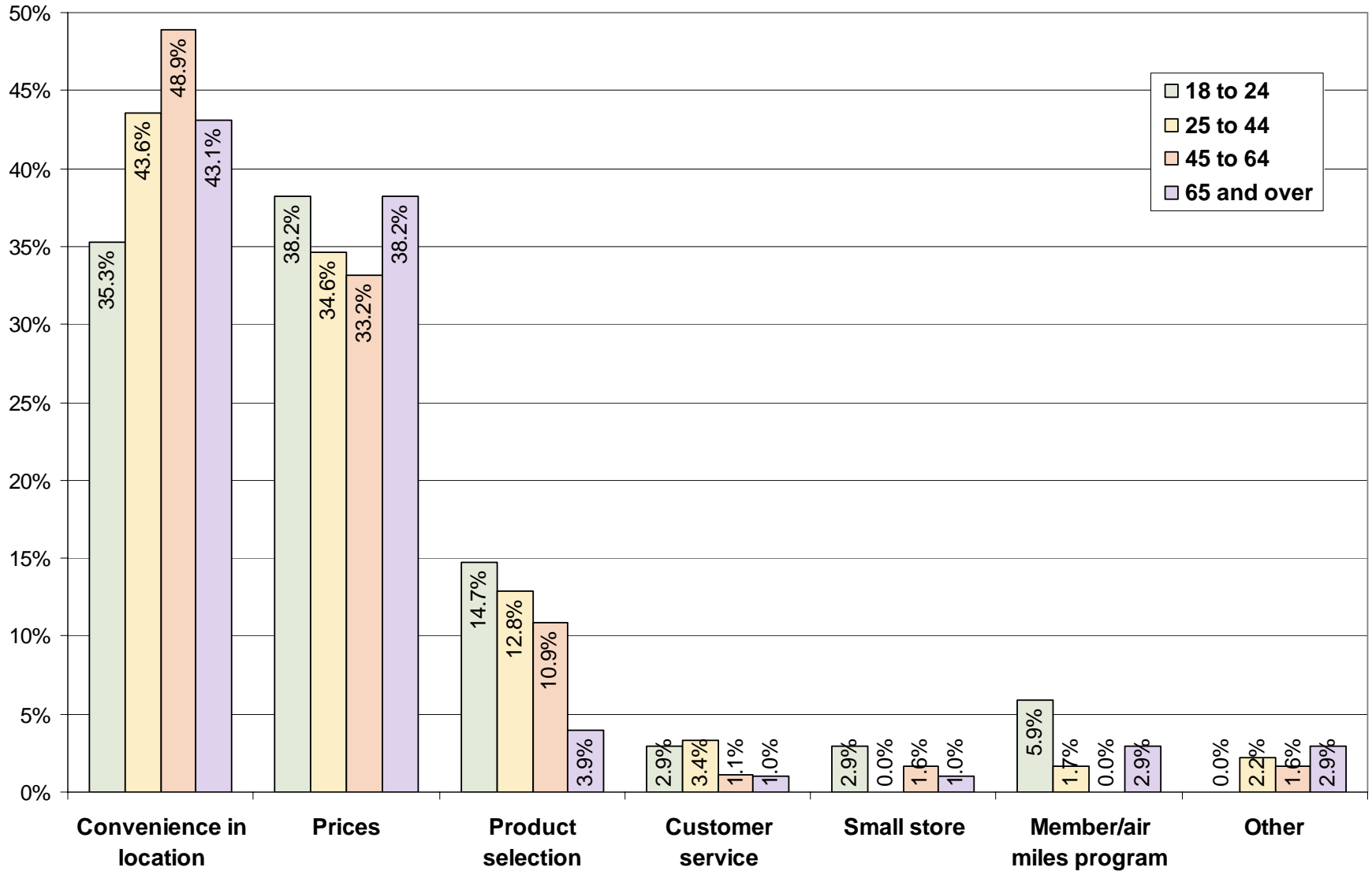
3. What is the main reason you choose to shop at your indicated location?



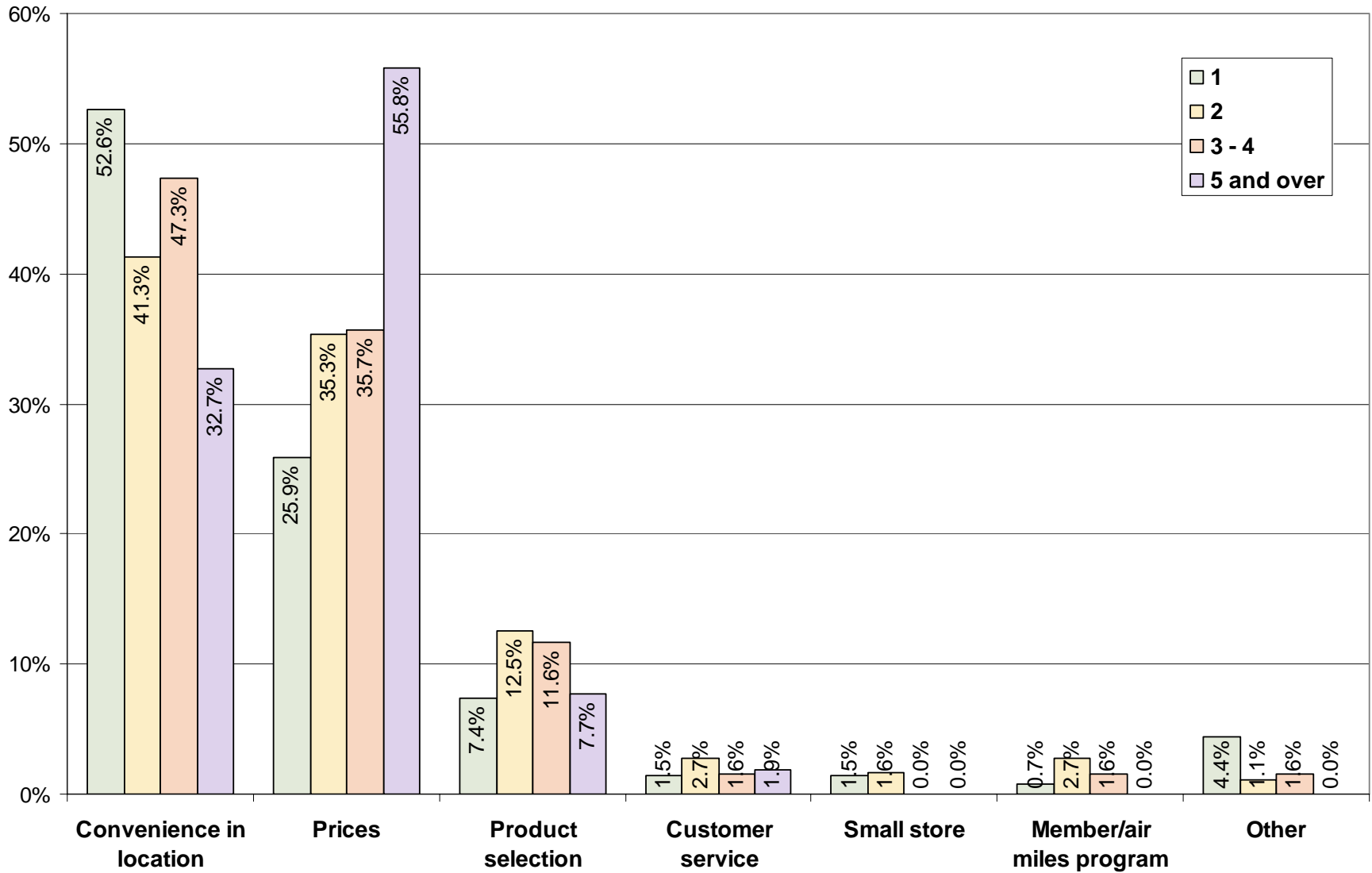
3a. Reason for store chosen by gender



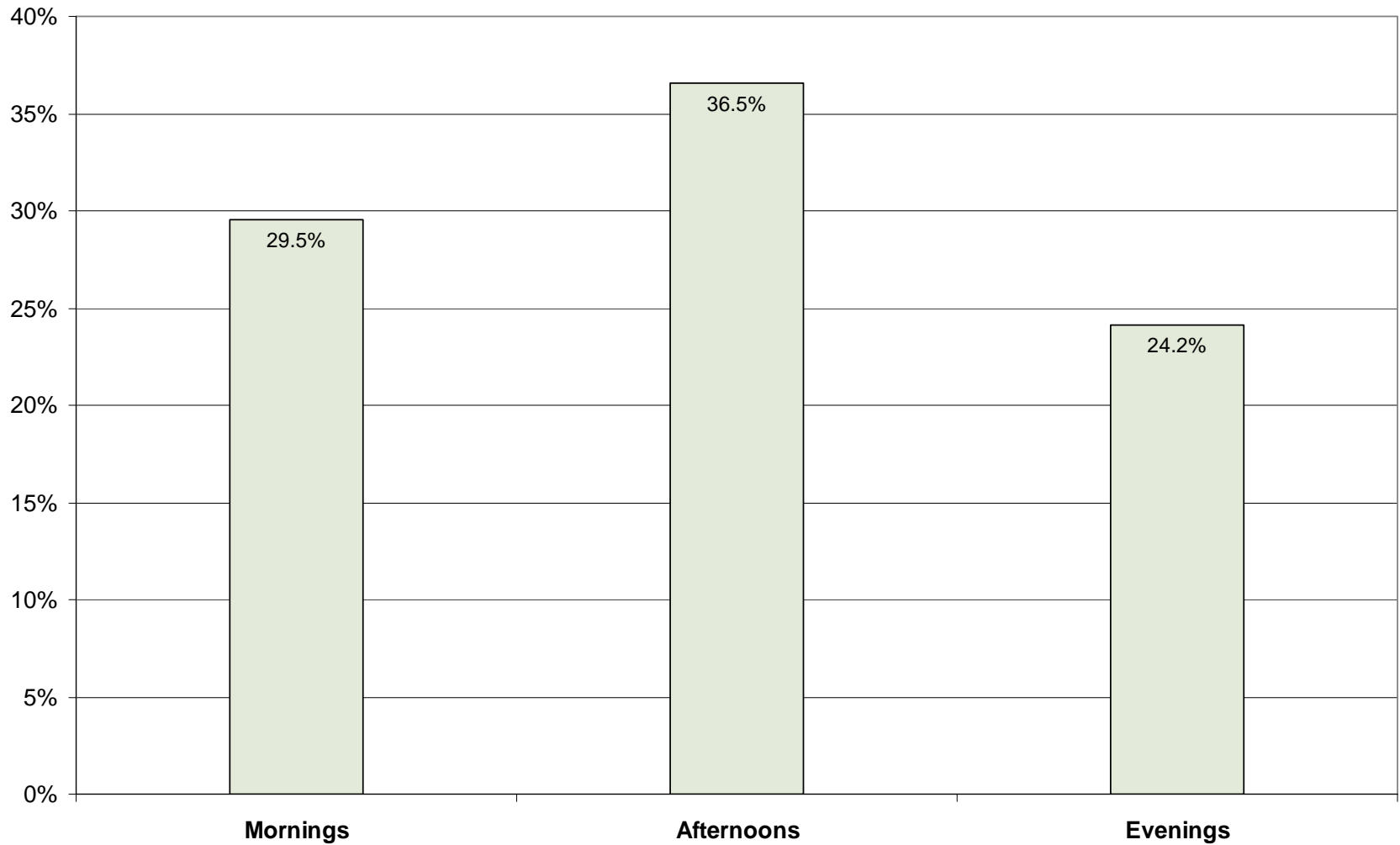
3b. Reason for store chosen by age



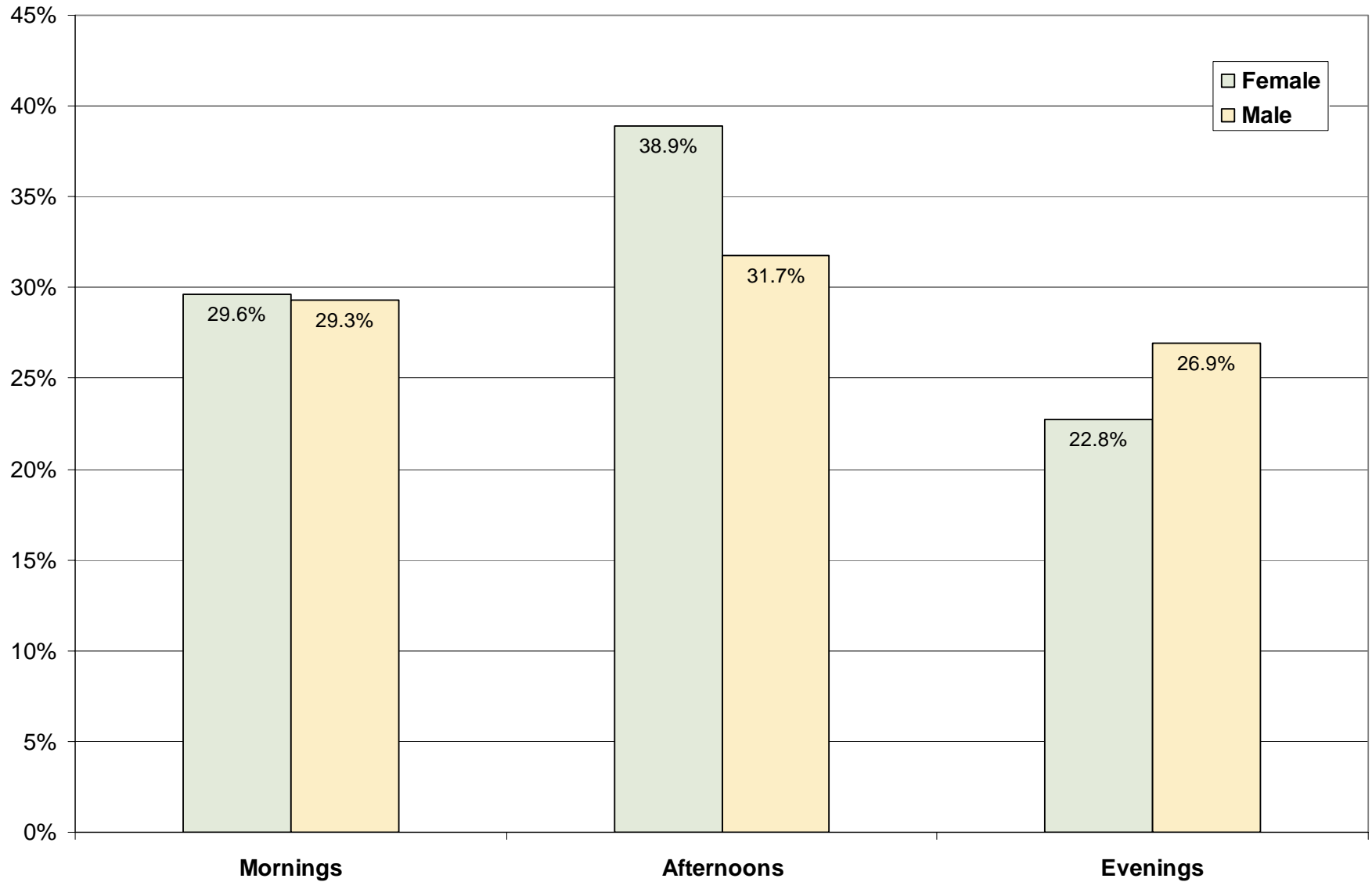
3c. Reason for store chosen by household size



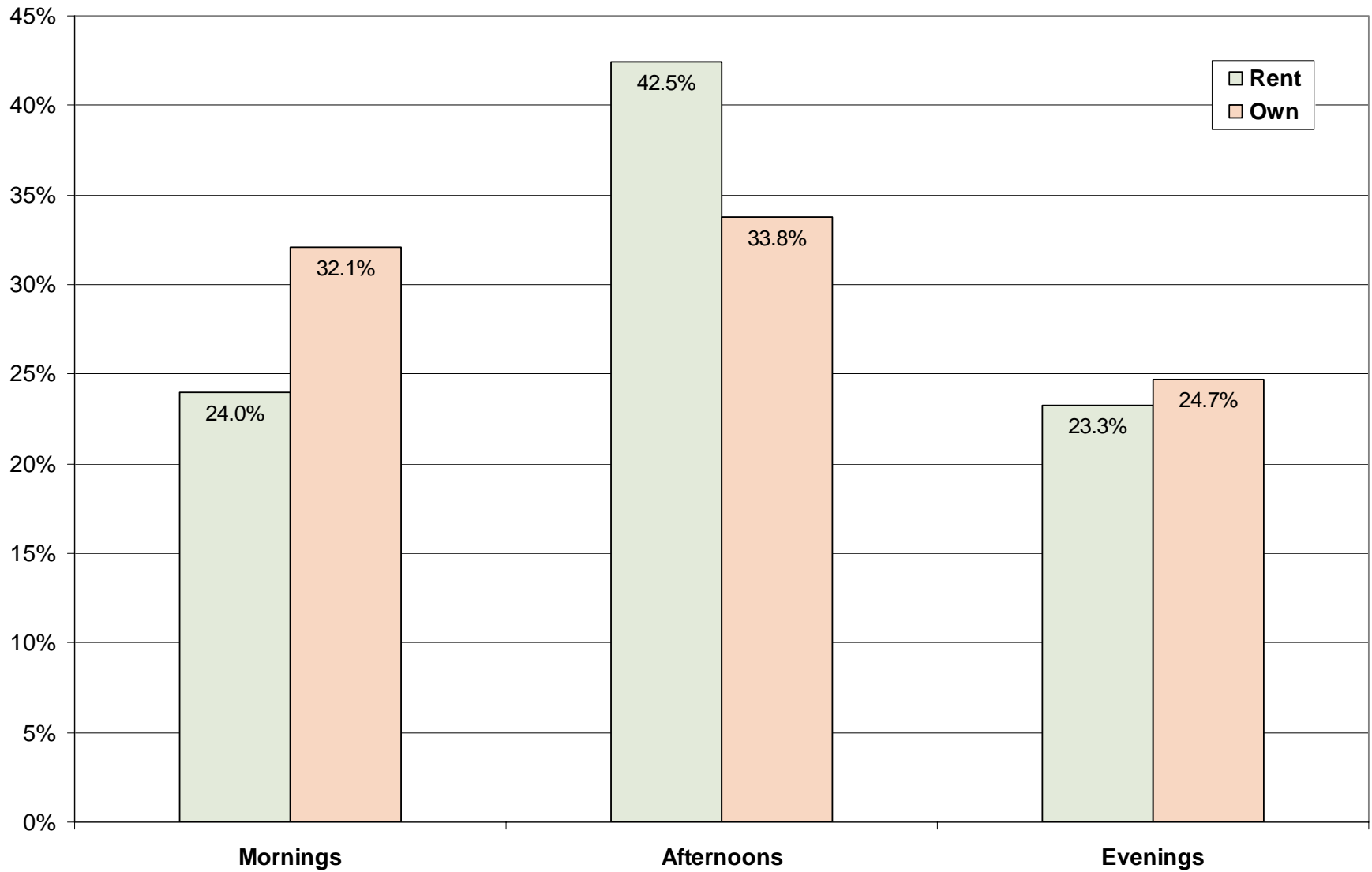
4. What times of the day do you normally do your grocery shopping?



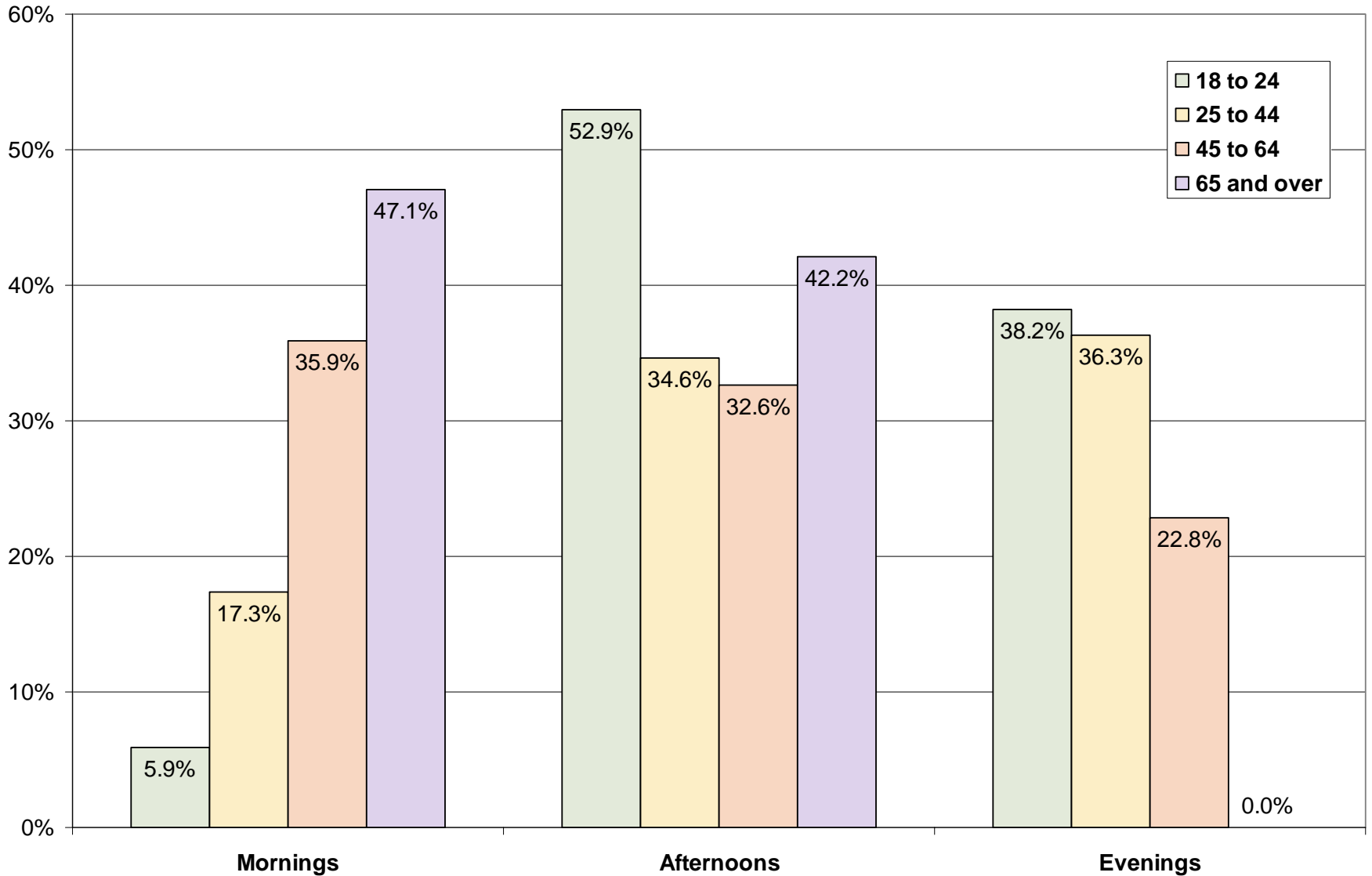
4a. Grocery Shopping Time by Gender



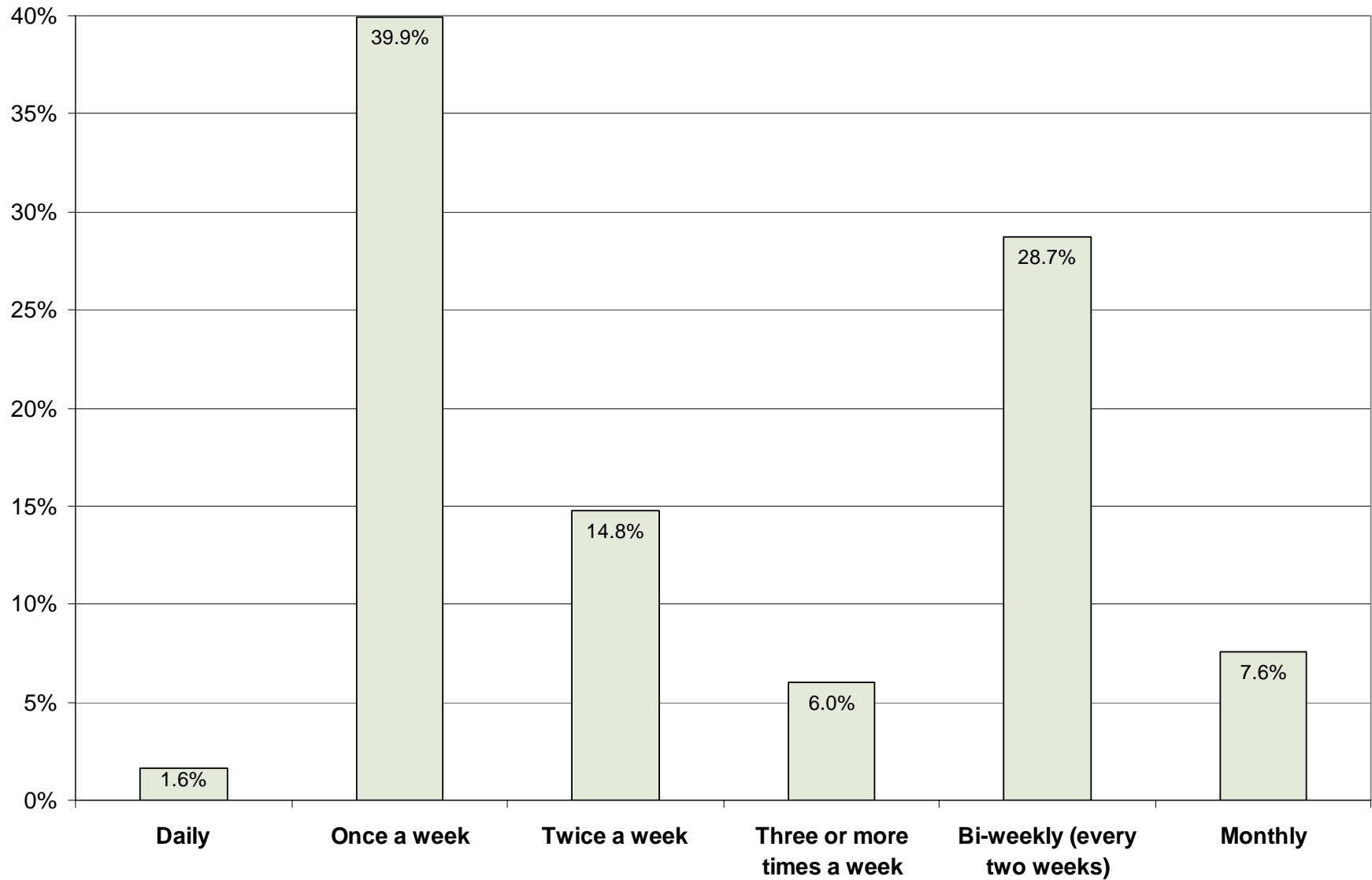
4b. Grocery Shopping Time by Dwelling Type



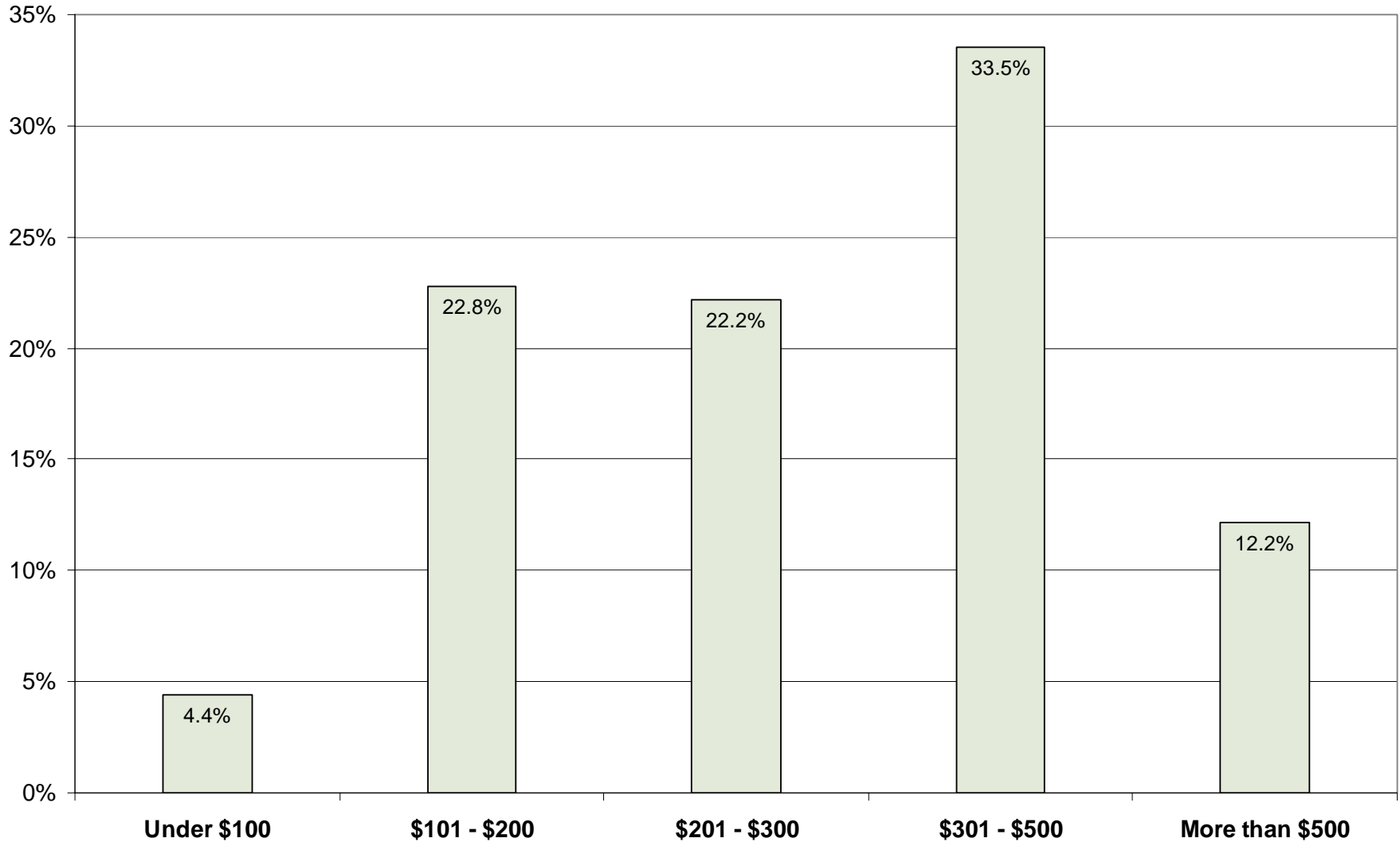
4c. Grocery Shopping time by Age



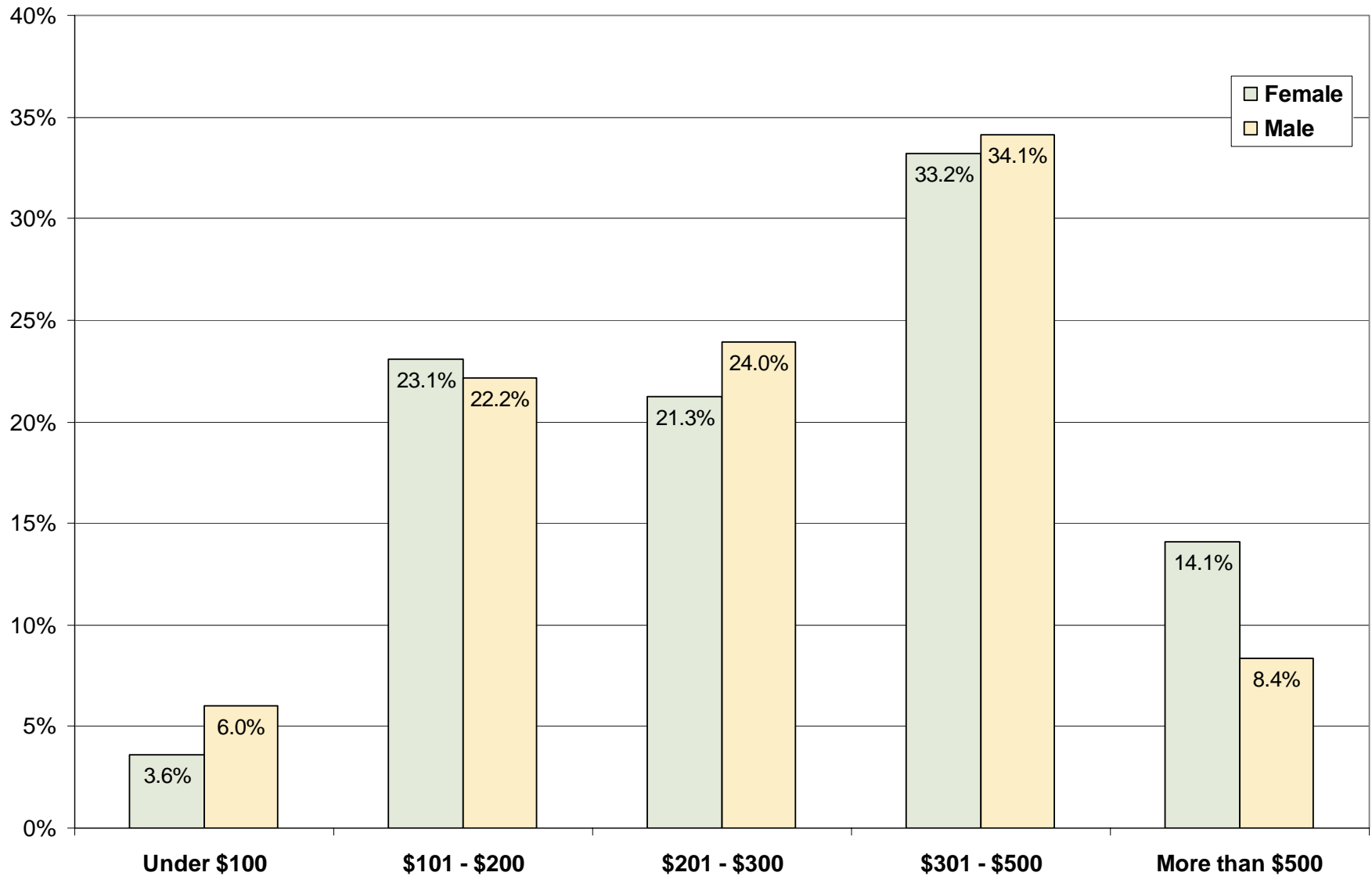
5. How often do you do your grocery shopping?



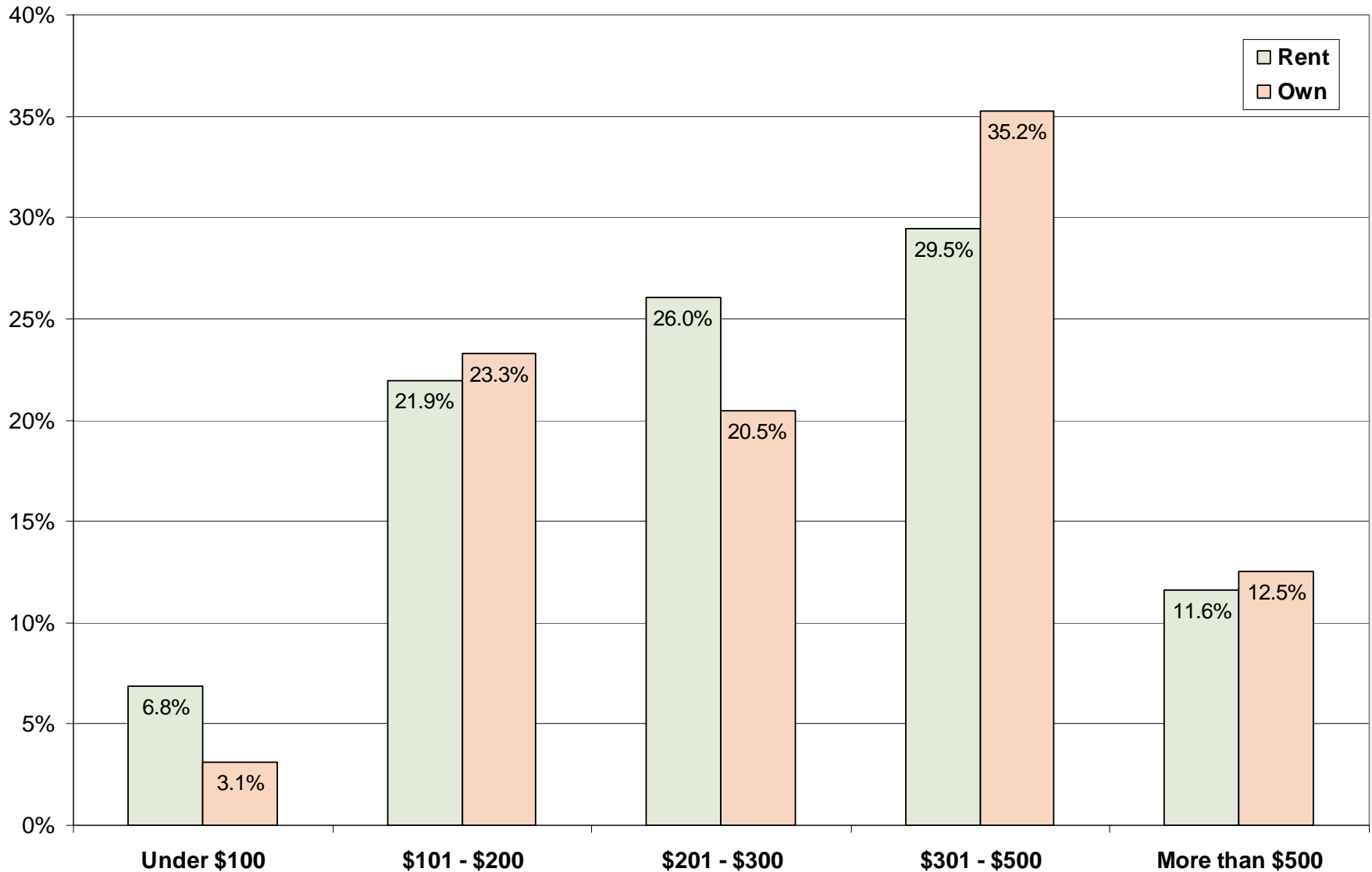
6. On average how much do you normally spend grocery shopping in a month?



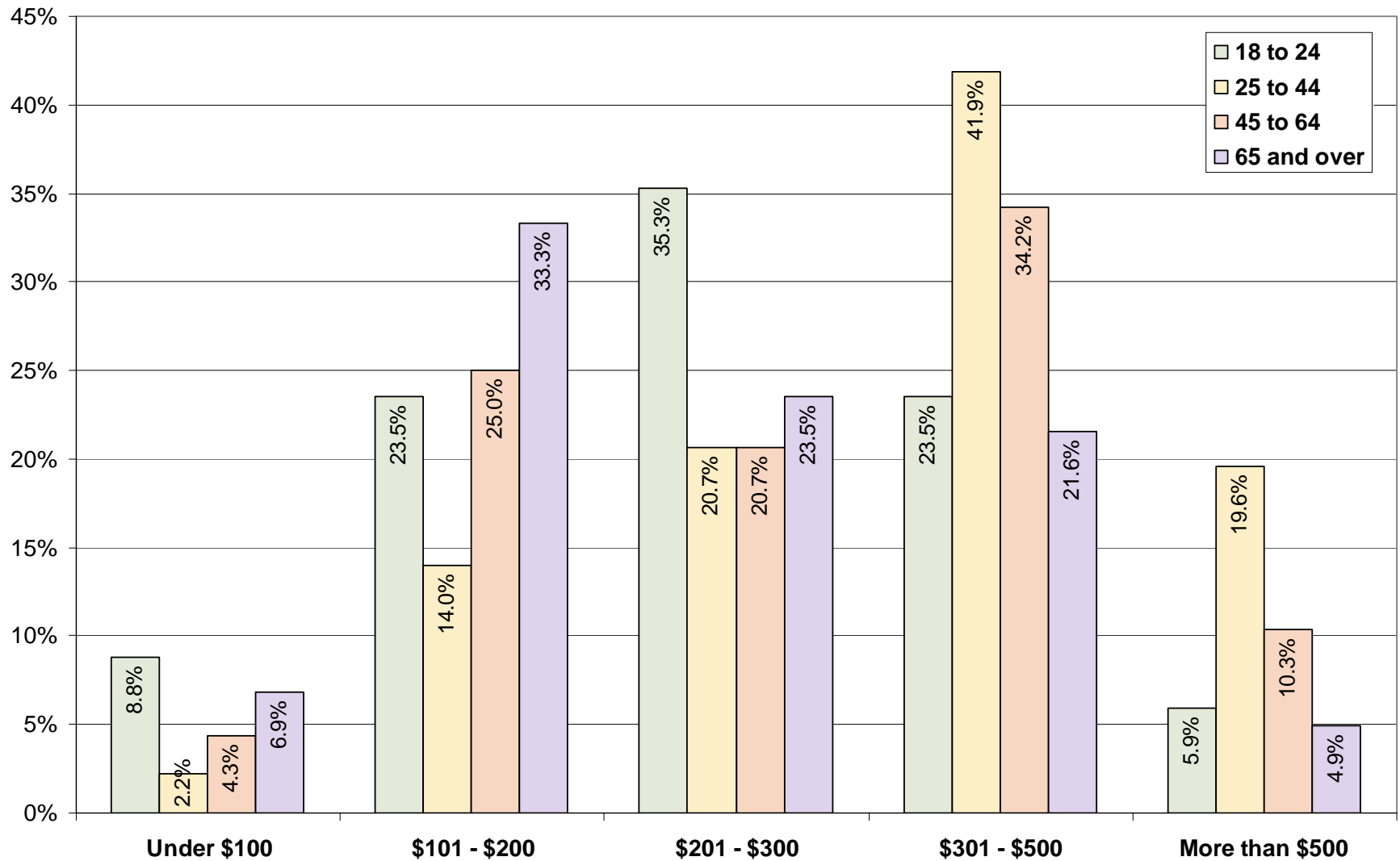
6a. Monthly Spending on Grocery by Gender



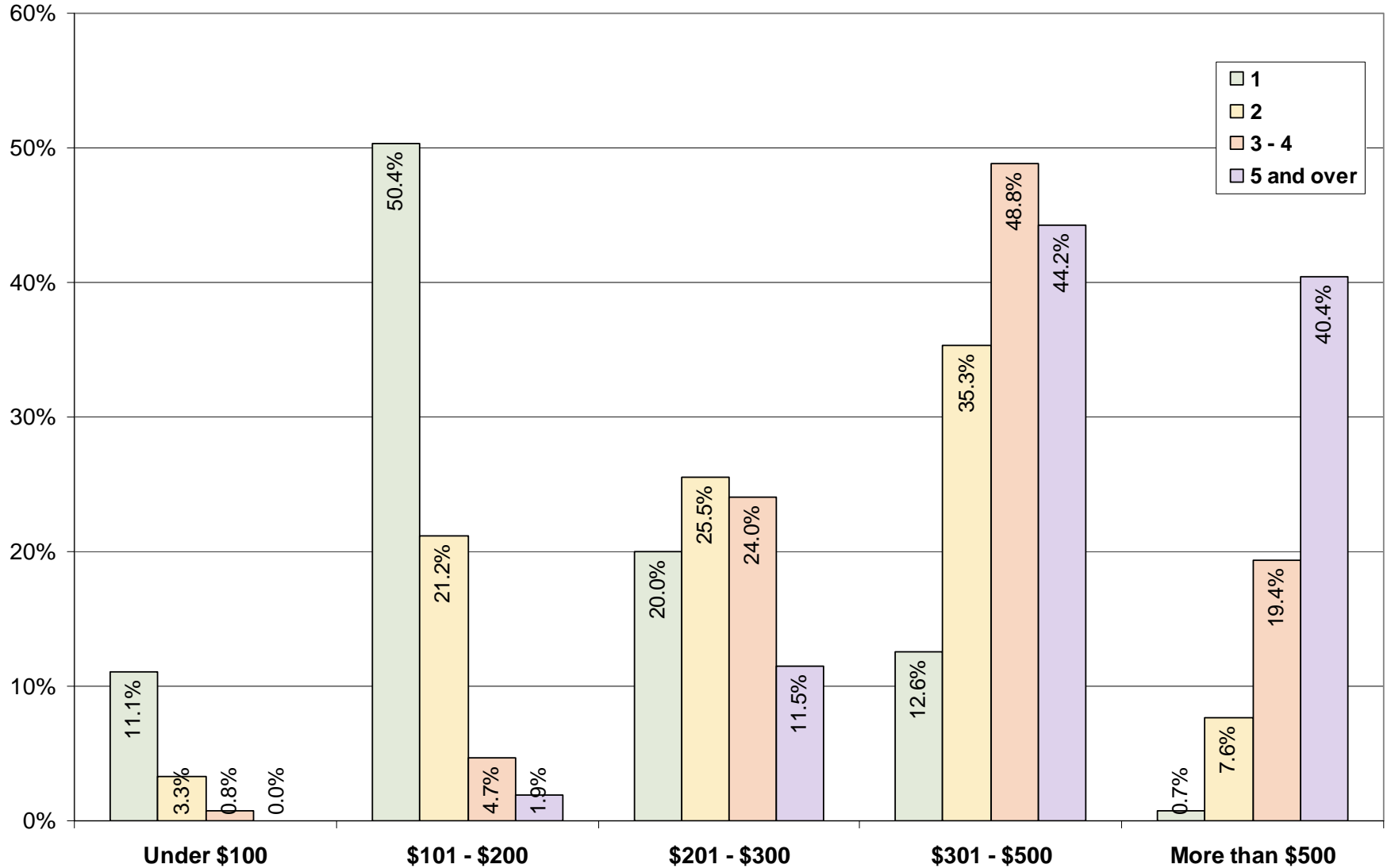
6b. Monthly Spending on Grocery by Dwelling Type



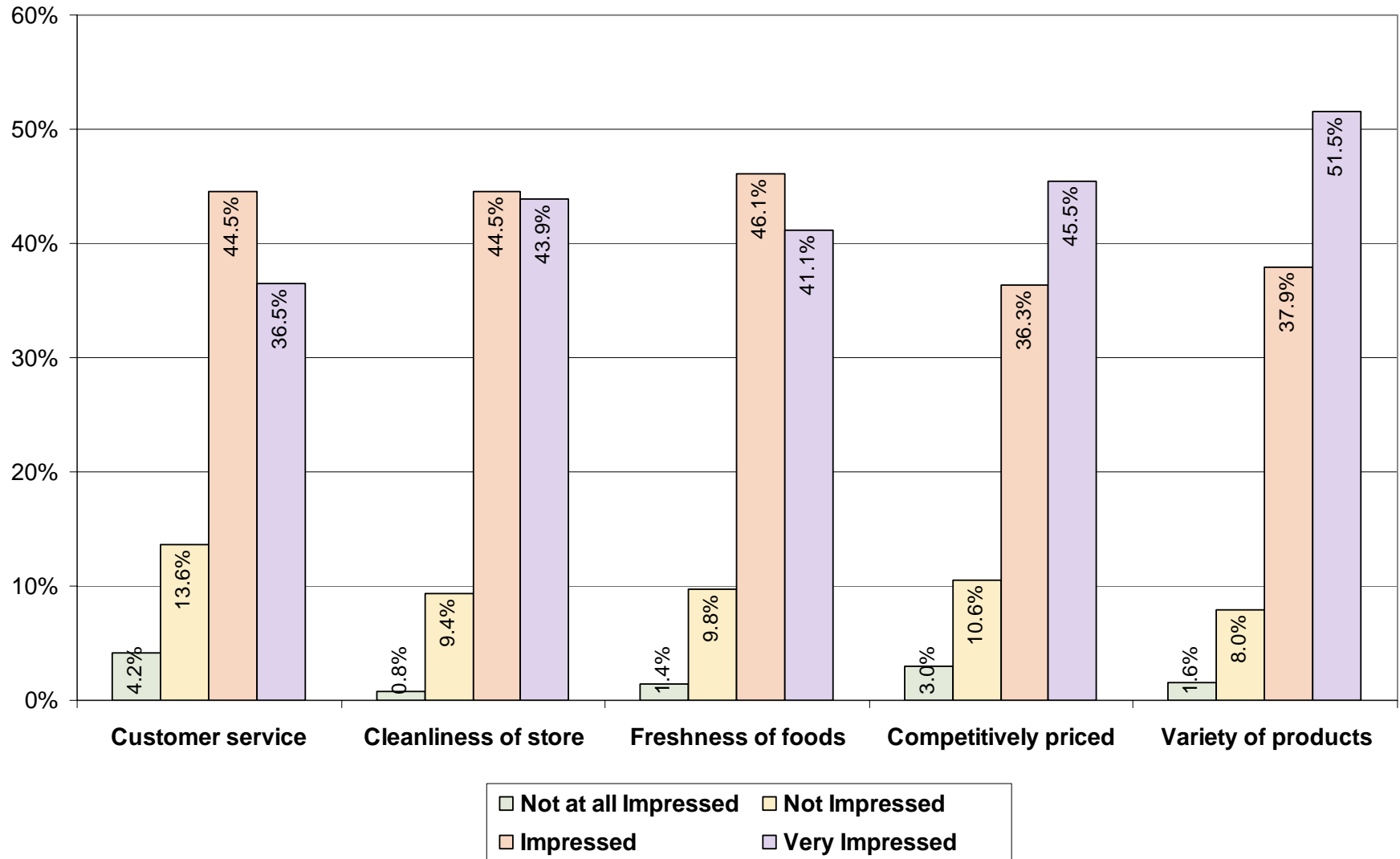
6c. Monthly Spending on Grocery by Age



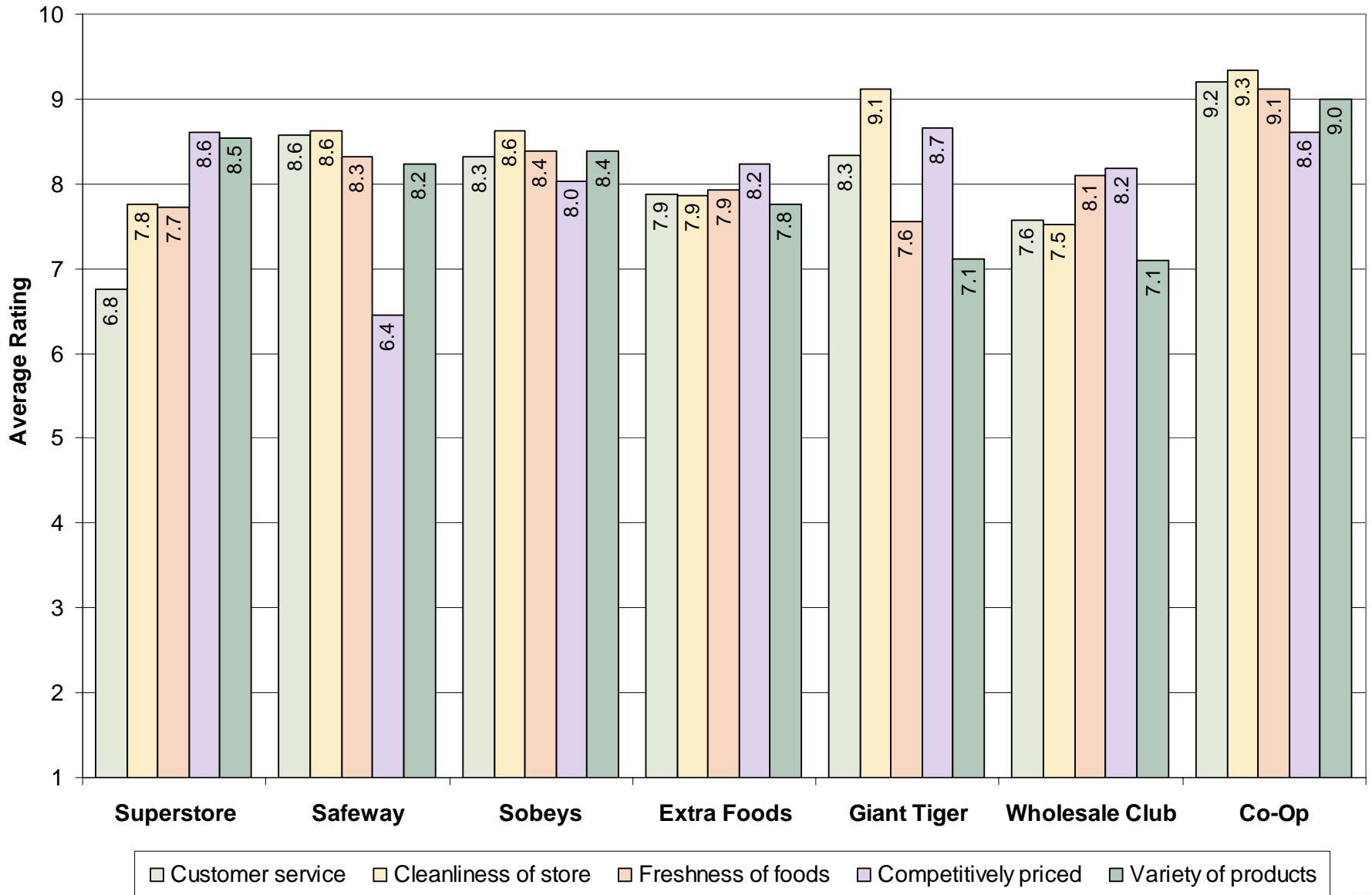
6d. Monthly Spending on Grocery by Household Size



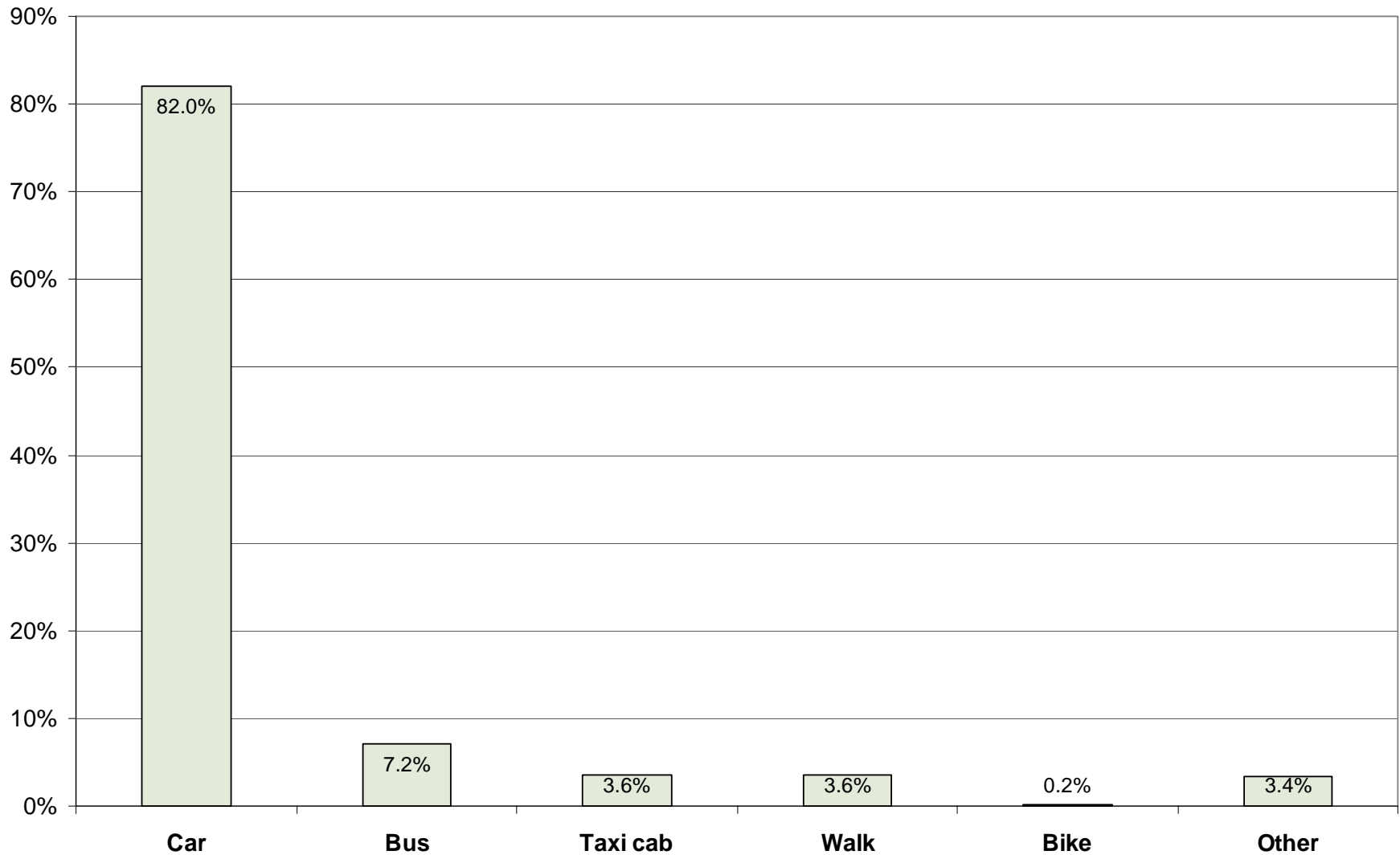
7. How would you rate your current grocery store in the following areas:



7a. Grocery Store vs. Service Rating

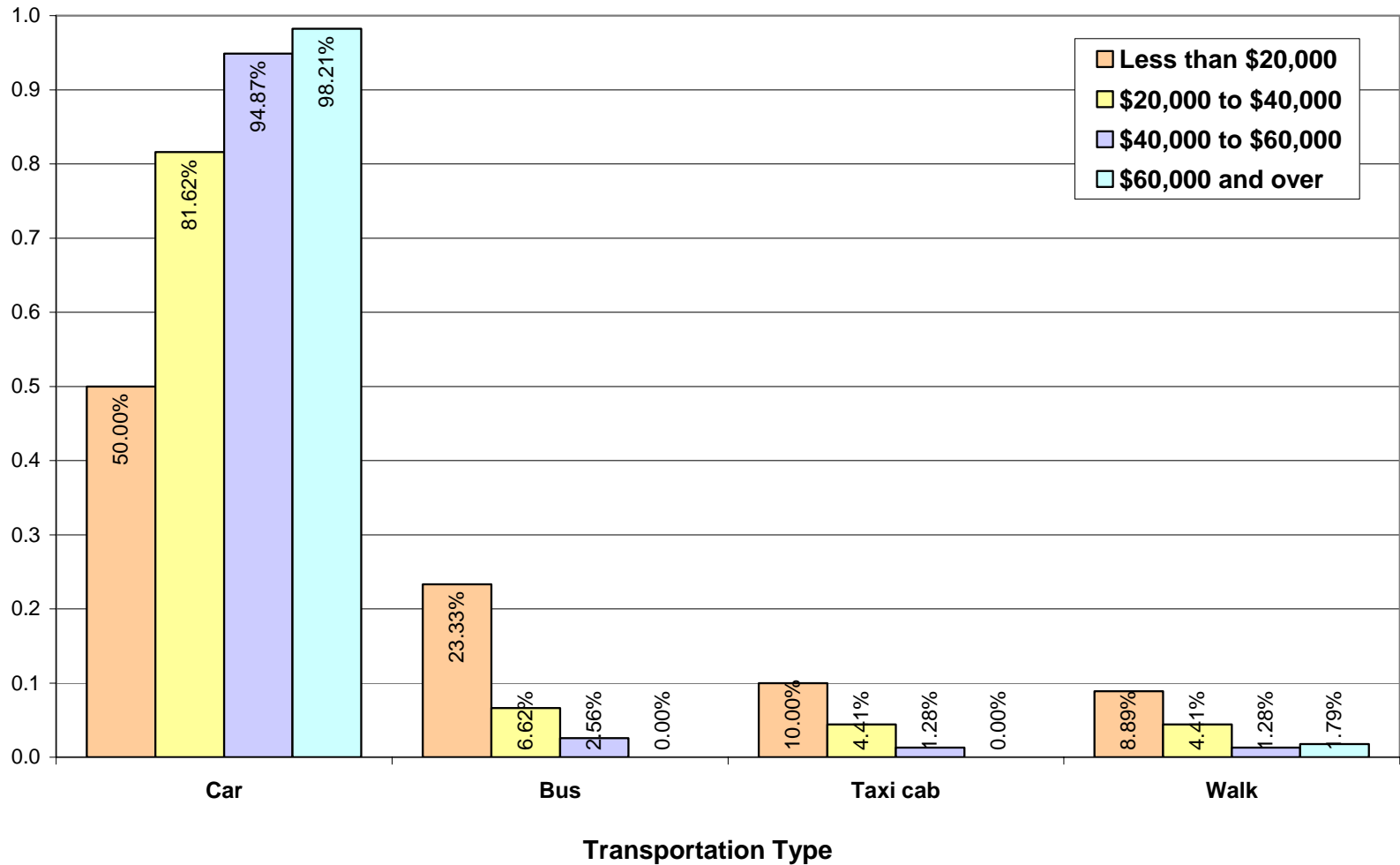


8. What form of transportation do you currently use to get to the grocery store?



Transportation X-tabbed Against Income

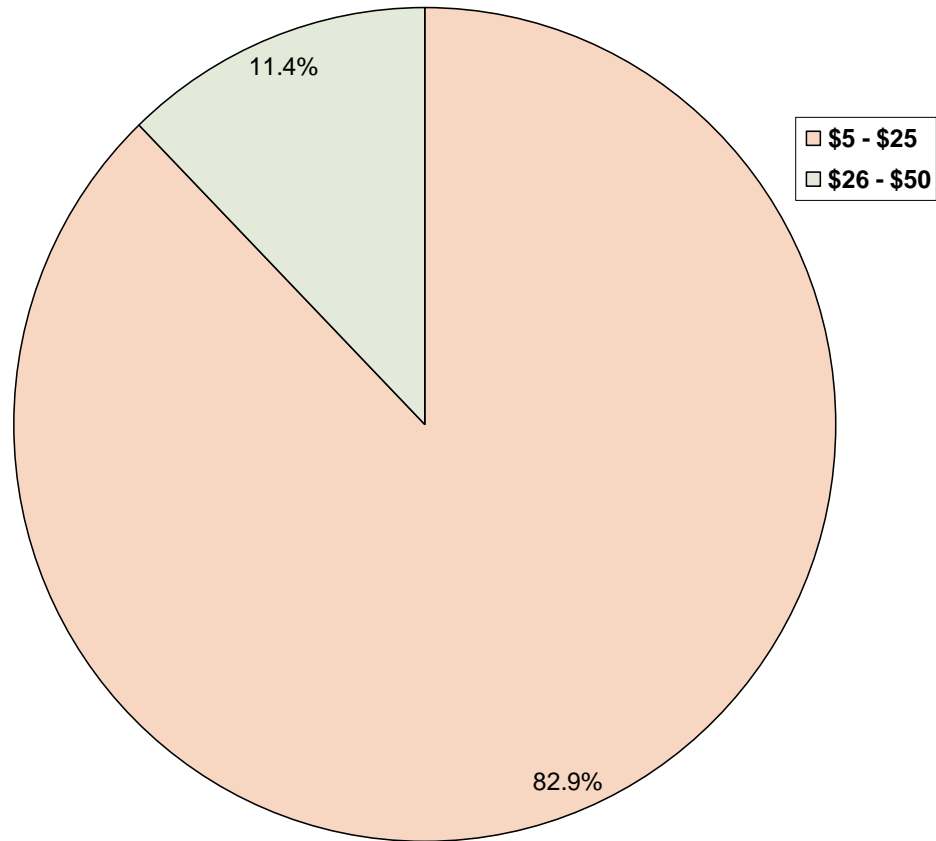
8a. Transportation by Income



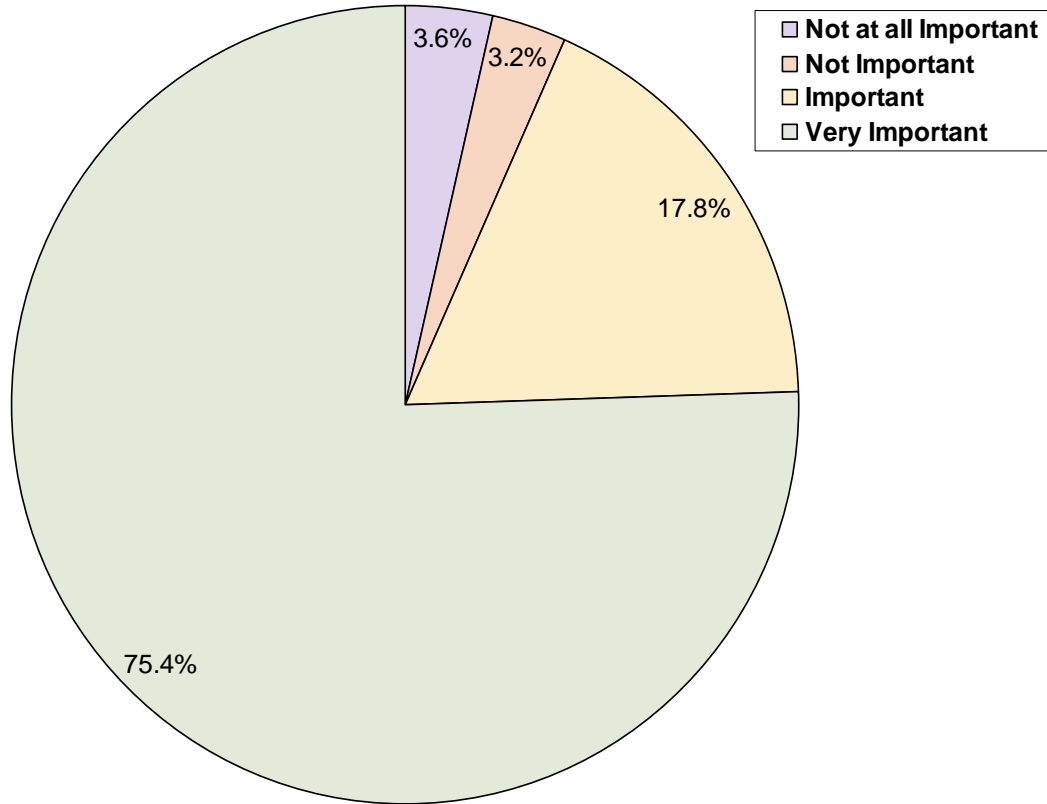
Transportation X-tabbed Against Income

		Income										Total	
		Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over		Refused			
		Count	% within Income	Count	% within Income	Count	% within Income	Count	% within Income	Count	% within Income	Count	% within Income
	1. car	45	50.0%	111	81.6%	74	94.9%	55	98.2%	126	89.4%	411	82.0%
	2. bus	21	23.3%	9	6.6%	2	2.6%	0	0.0%	4	2.8%	36	7.2%
	3. taxi cab	9	10.0%	6	4.4%	1	1.3%	0	0.0%	2	1.4%	18	3.6%
	4. walk	8	8.9%	6	4.4%	1	1.3%	1	1.8%	2	1.4%	18	3.6%
	5. bike	0	0.0%	1	0.7%	0	0.0%	0	0.0%	0	0.0%	1	0.2%
	88. Other (Specify)	7	7.8%	3	2.2%	0	0.0%	0	0.0%	7	5.0%	17	3.4%
Total		90	100.0%	136	100.0%	78	100.0%	56	100.0%	141	100.0%	501	100.0%

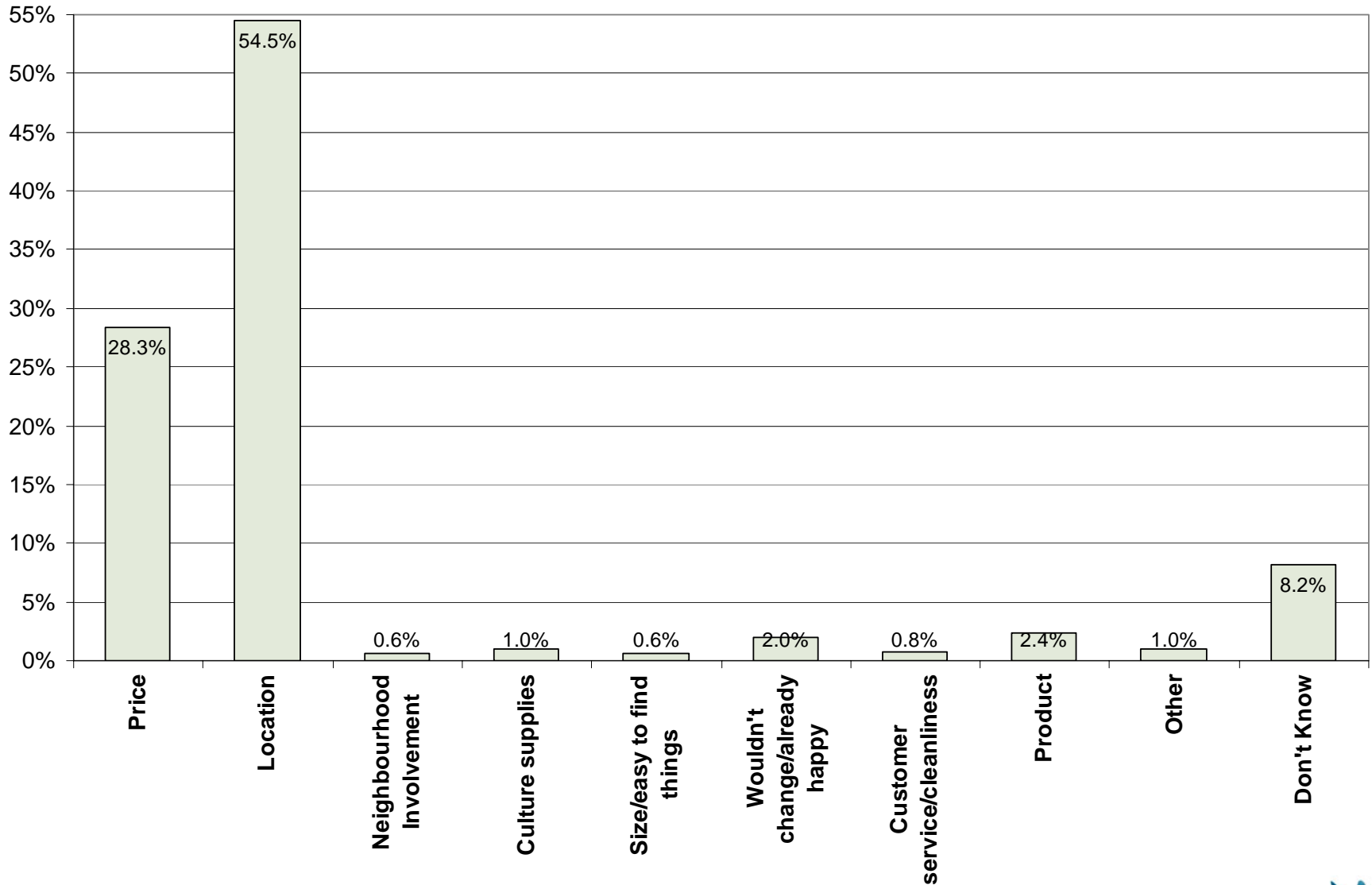
9. Approximately how much does it cost per round trip for taxi cab?



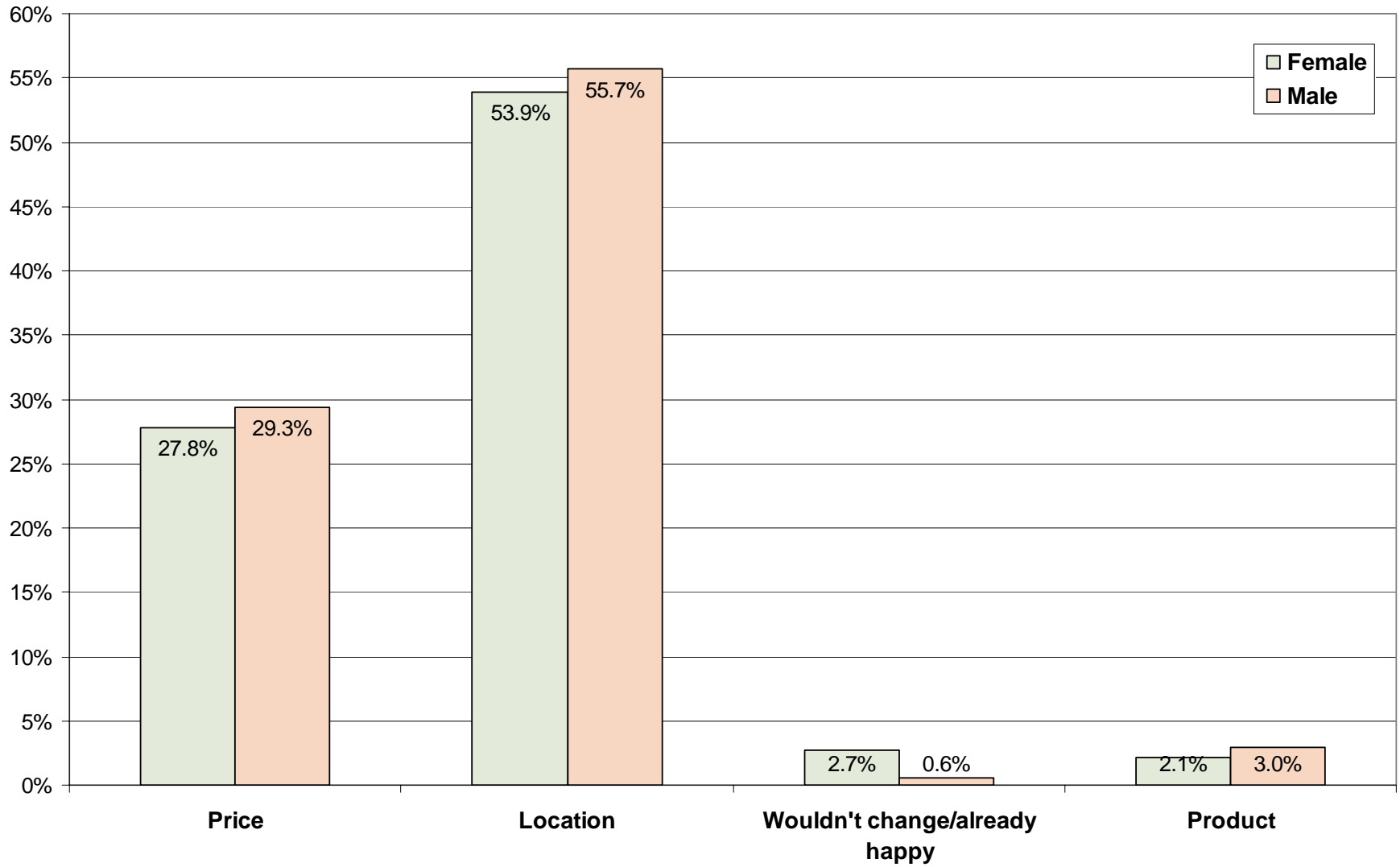
10. How important it is to you that a grocery store be located in your neighbourhood?



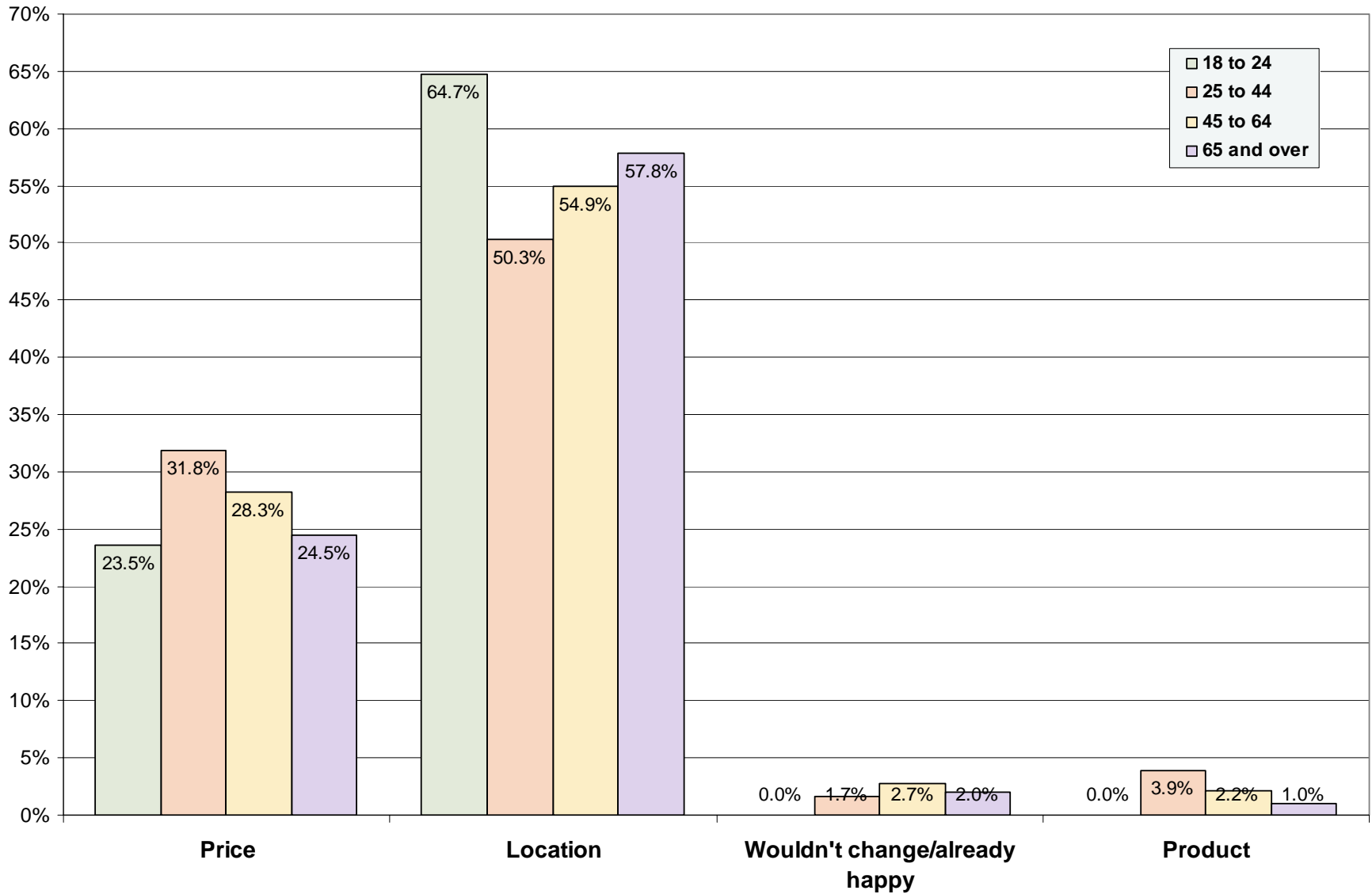
11. What would convince you to change where you currently grocery shop?



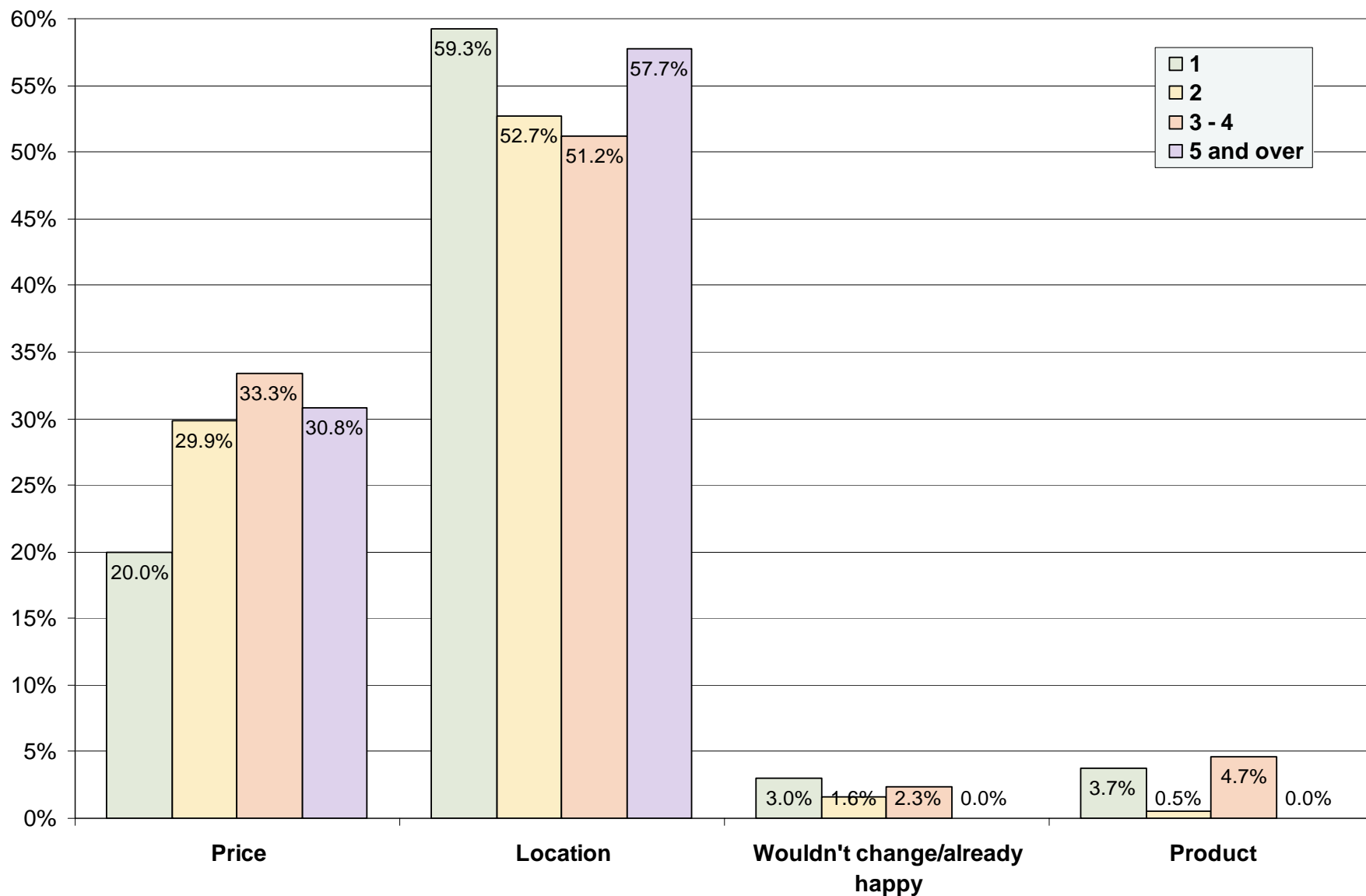
11a. Convince you to change by gender



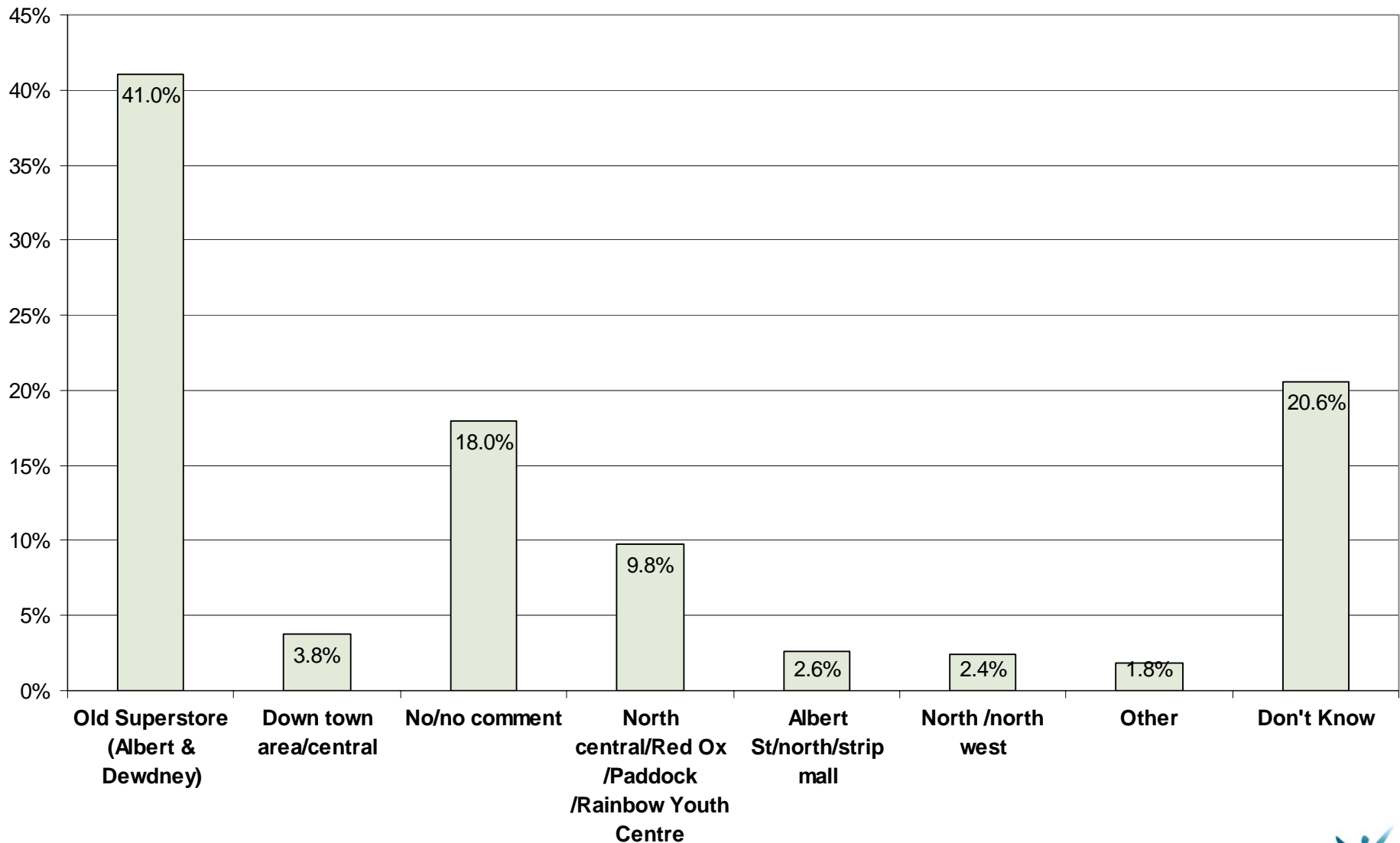
11b. Convince you to change by age



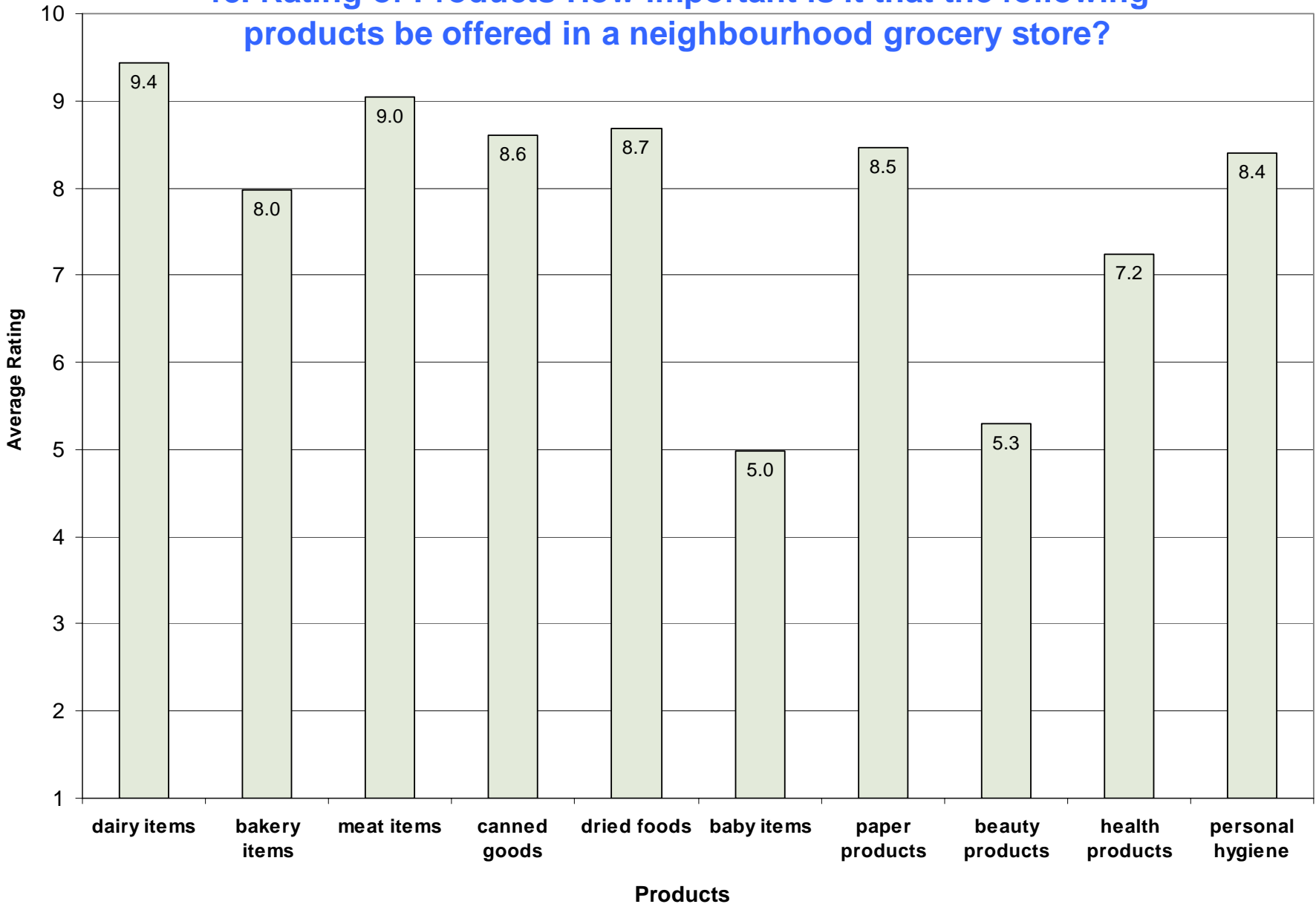
11c. Convince you to change by household size



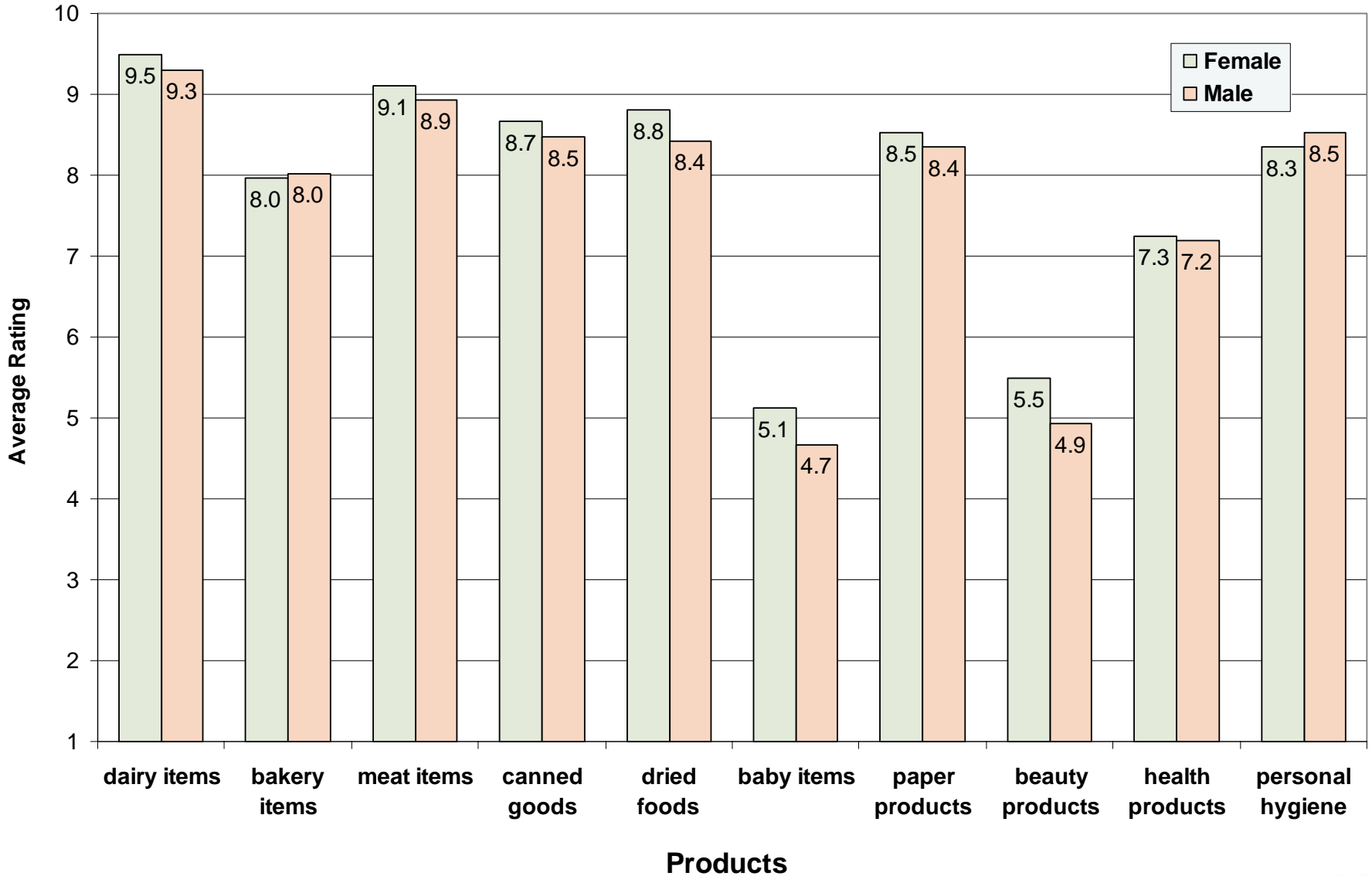
12. Is there a location within your neighbourhood that you would like to see a grocery store located?



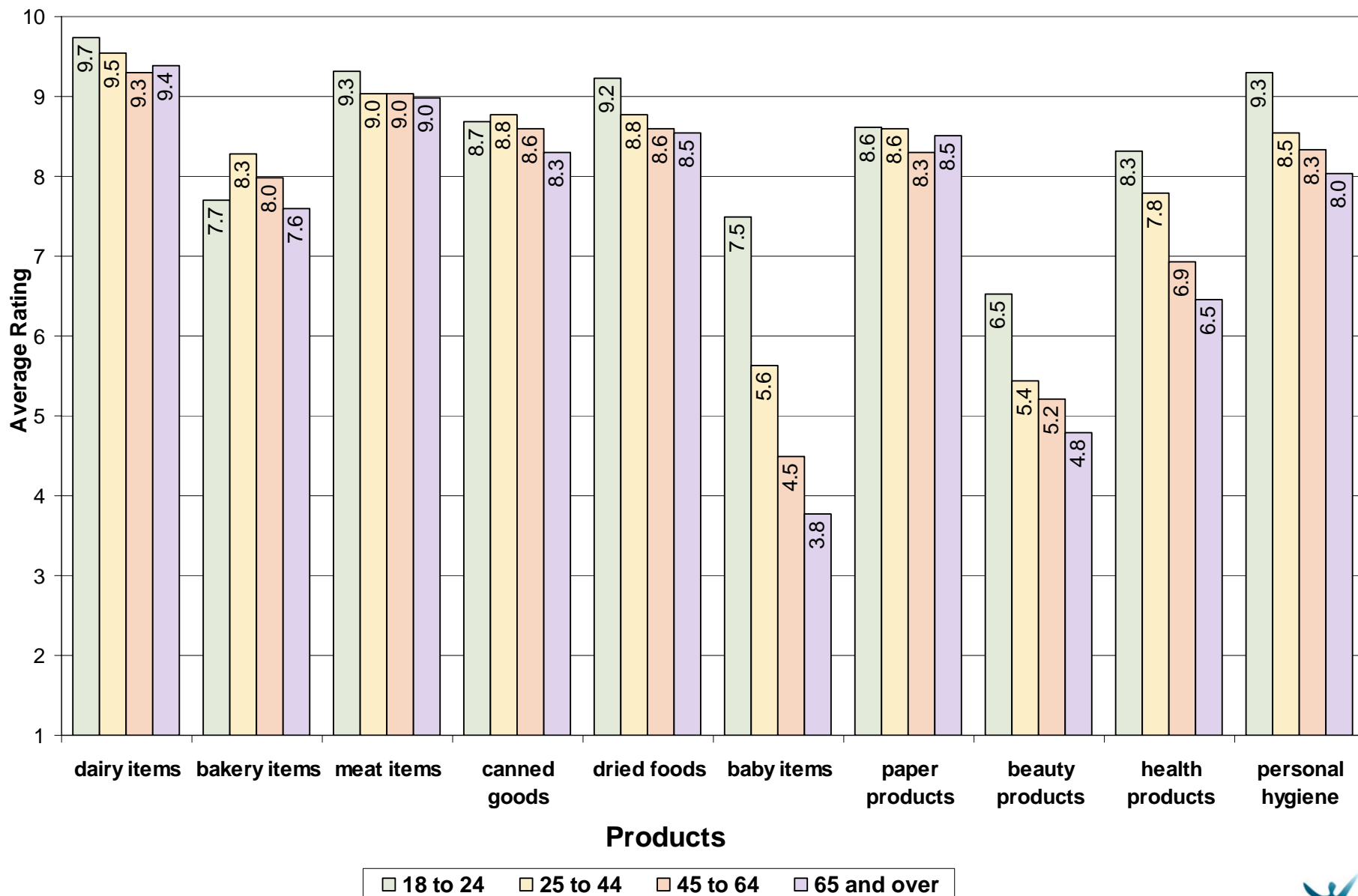
13. Rating of Products-How important is it that the following products be offered in a neighbourhood grocery store?



13a. Rating of Products by Gender

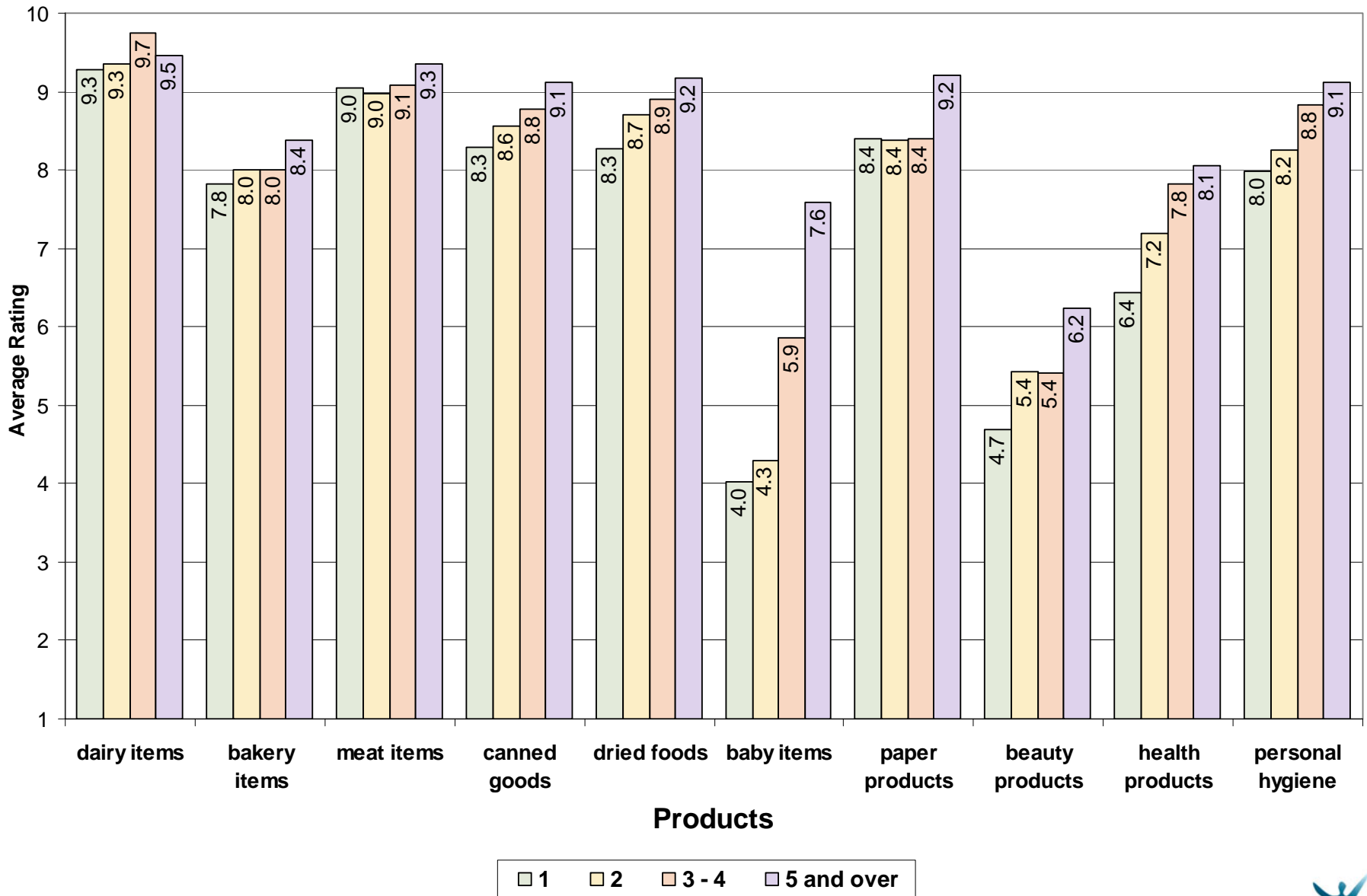


13b. Rating of Products by Age

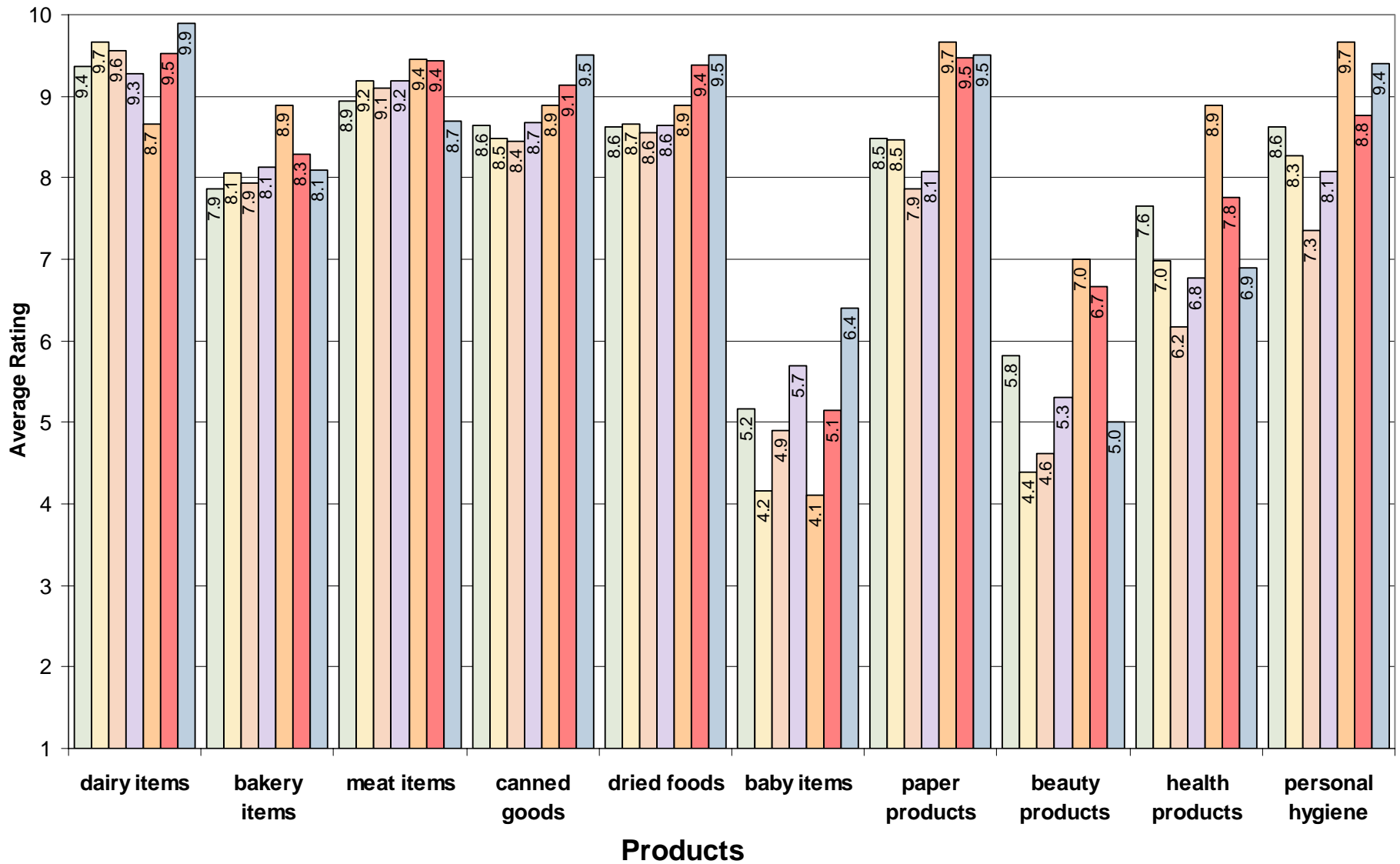


Confidential

13c. Rating of Products by Household Size



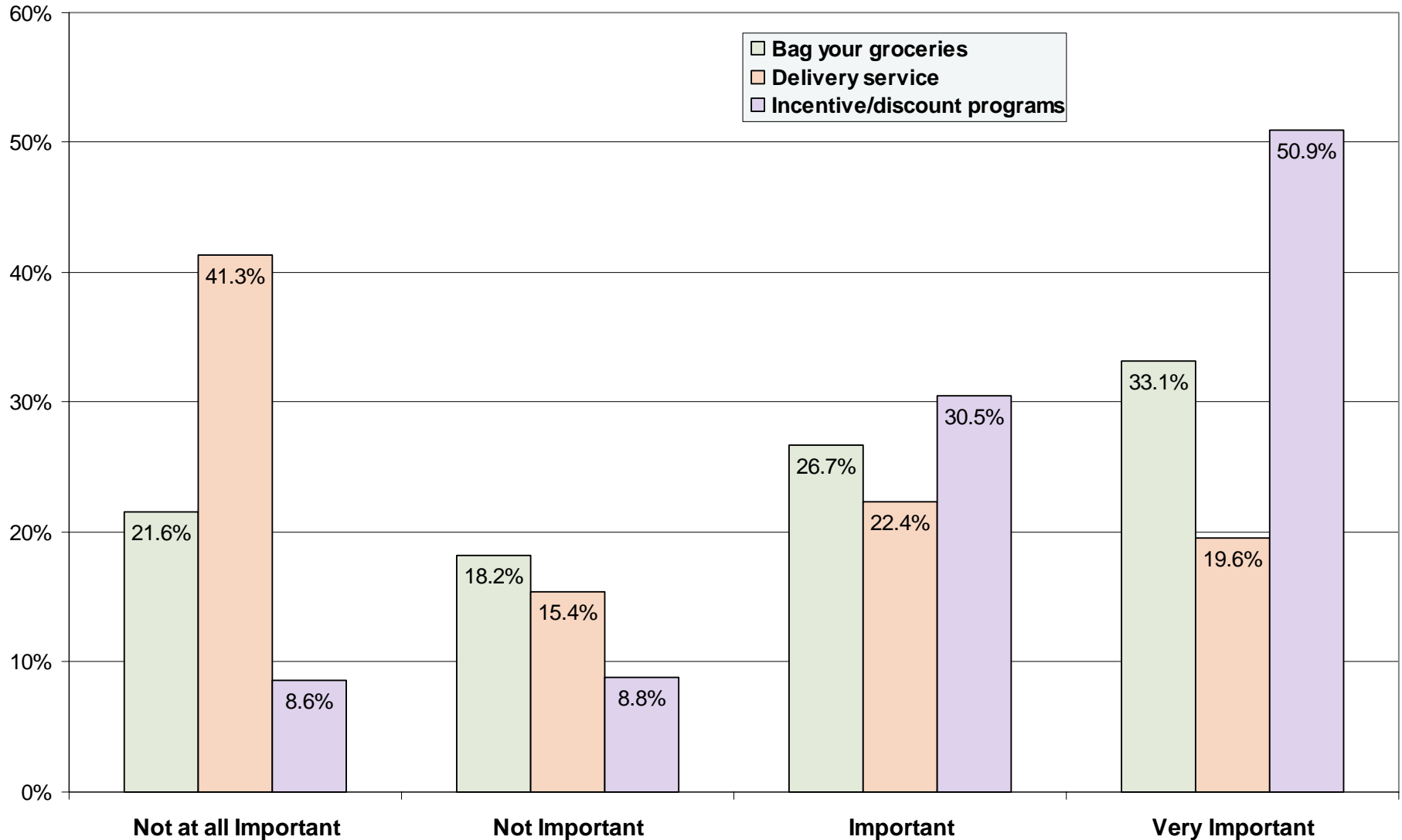
13d. Rating of Products by Grocery Store



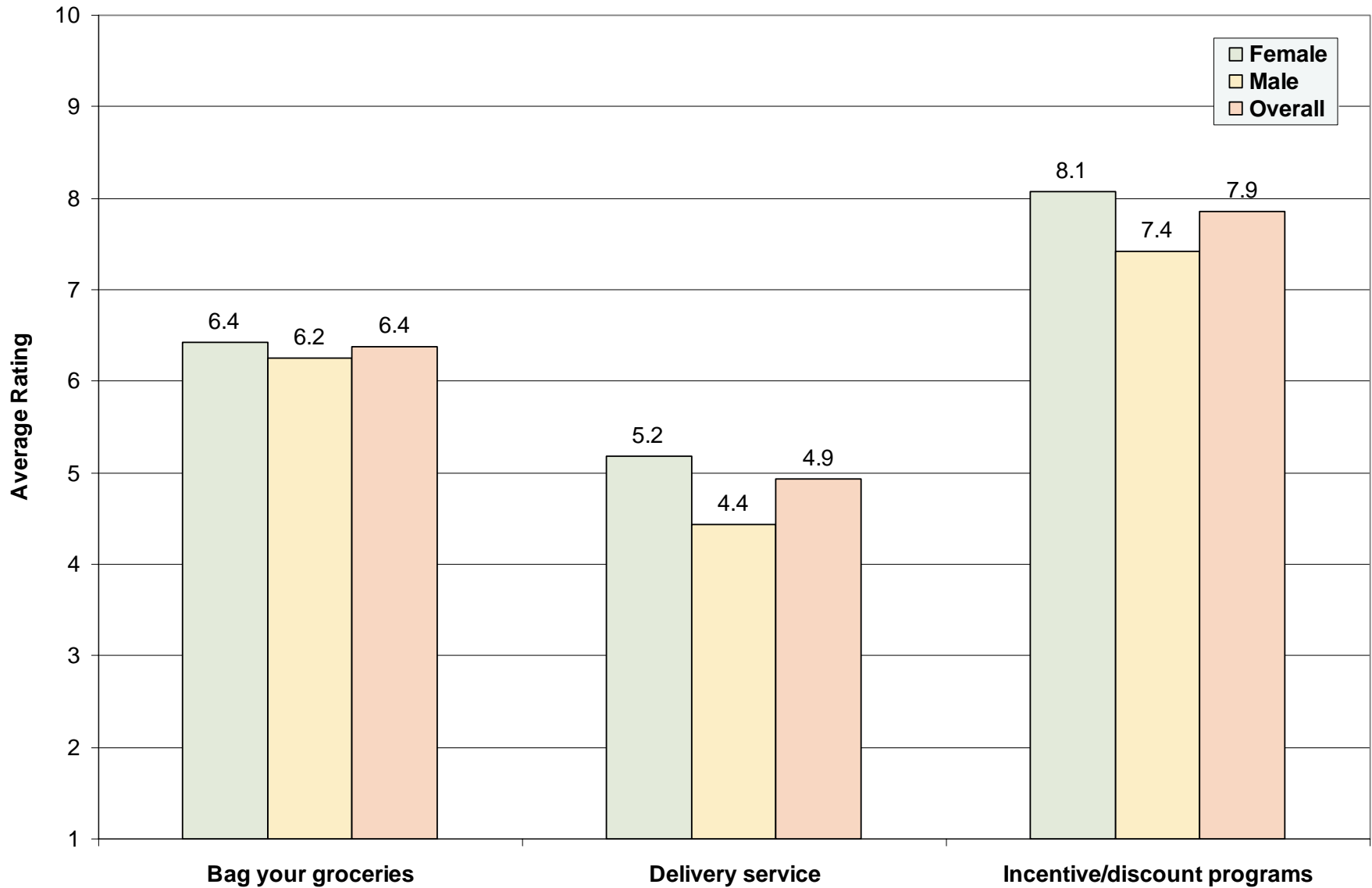
Superstore Safeway Sobeys Extra Foods Giant Tiger Wholesale Club Co-Op

Confidential

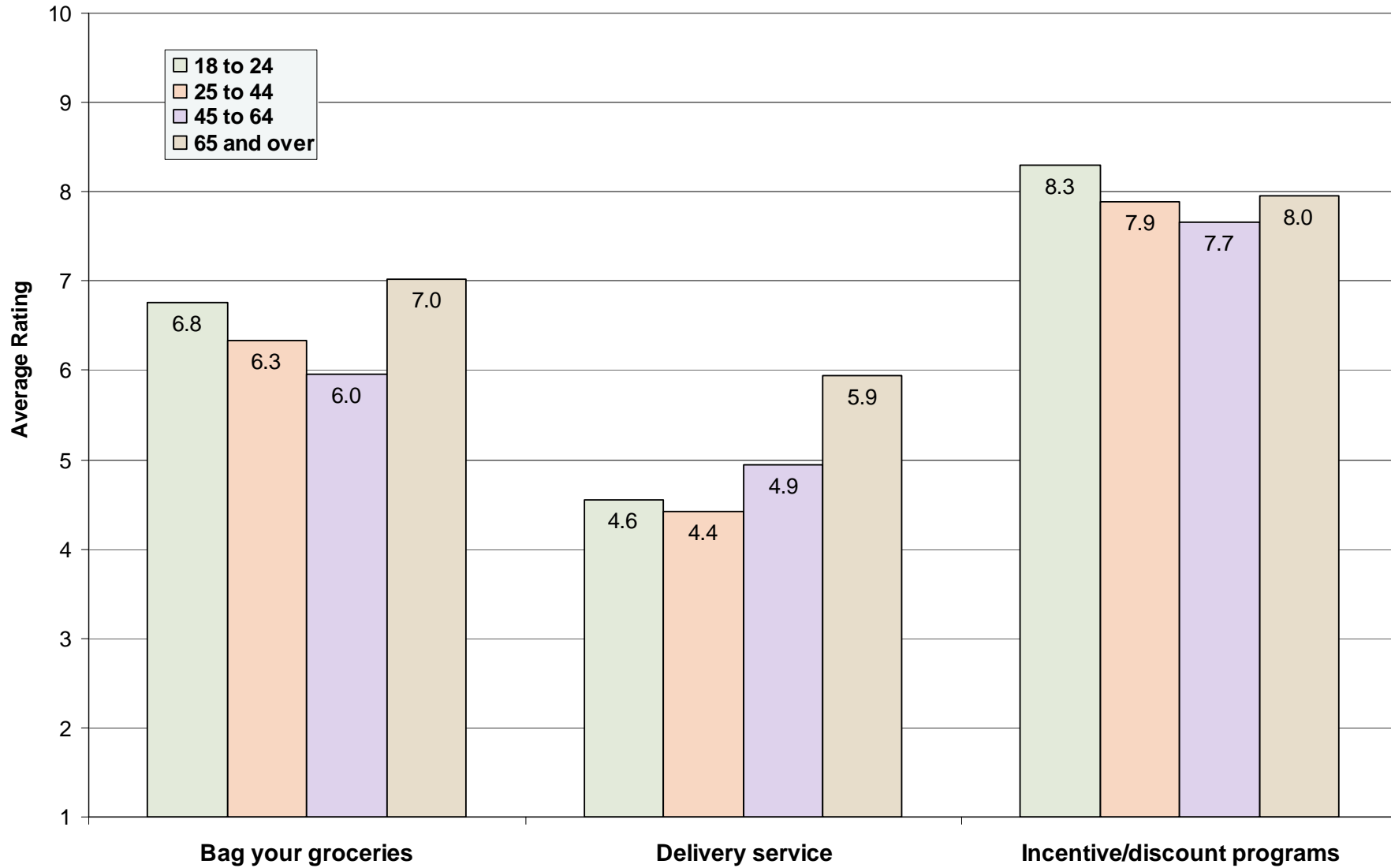
14. How important to you is it that the following services be offered in a neighbourhood grocery store?



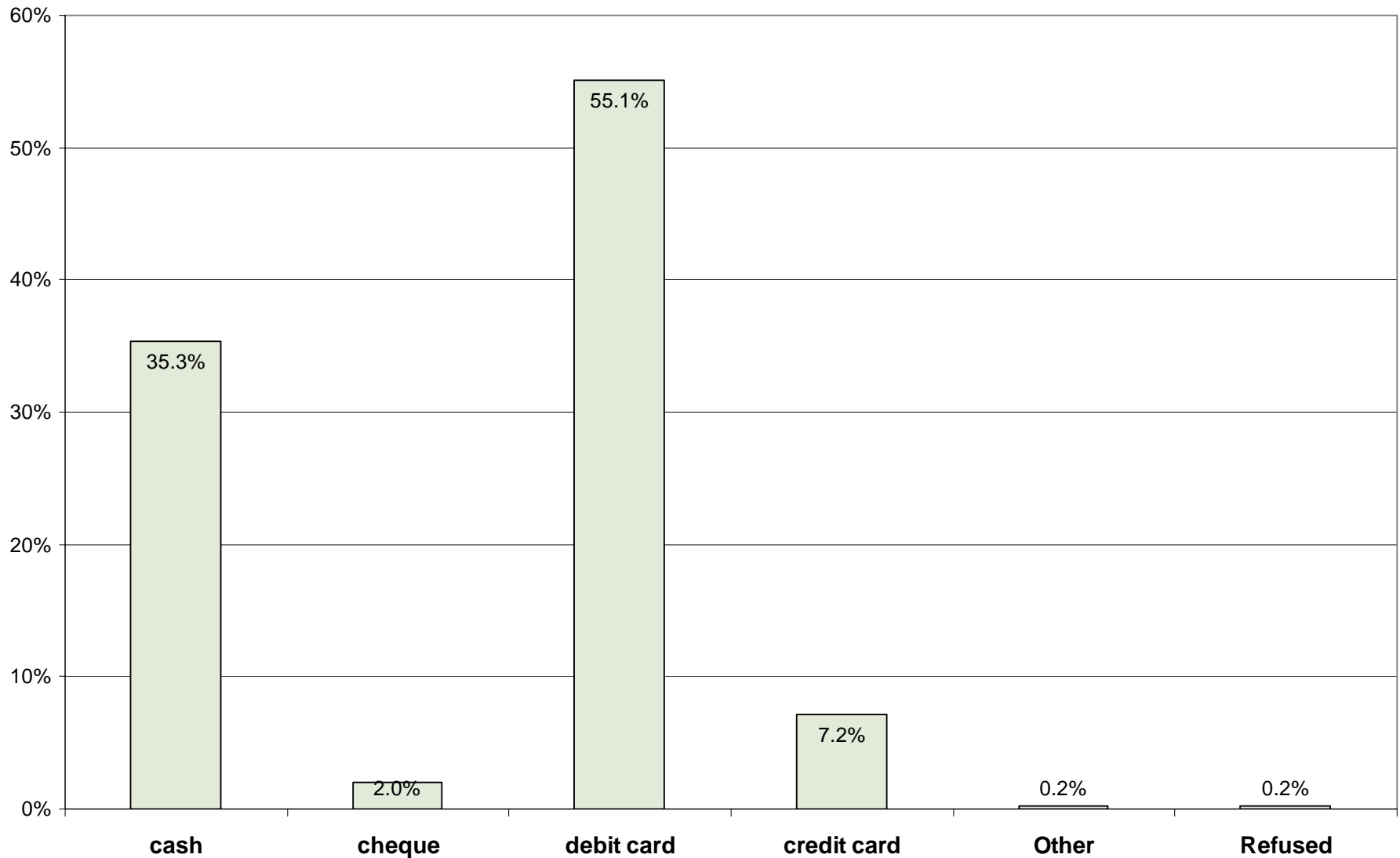
14a. Service by Gender



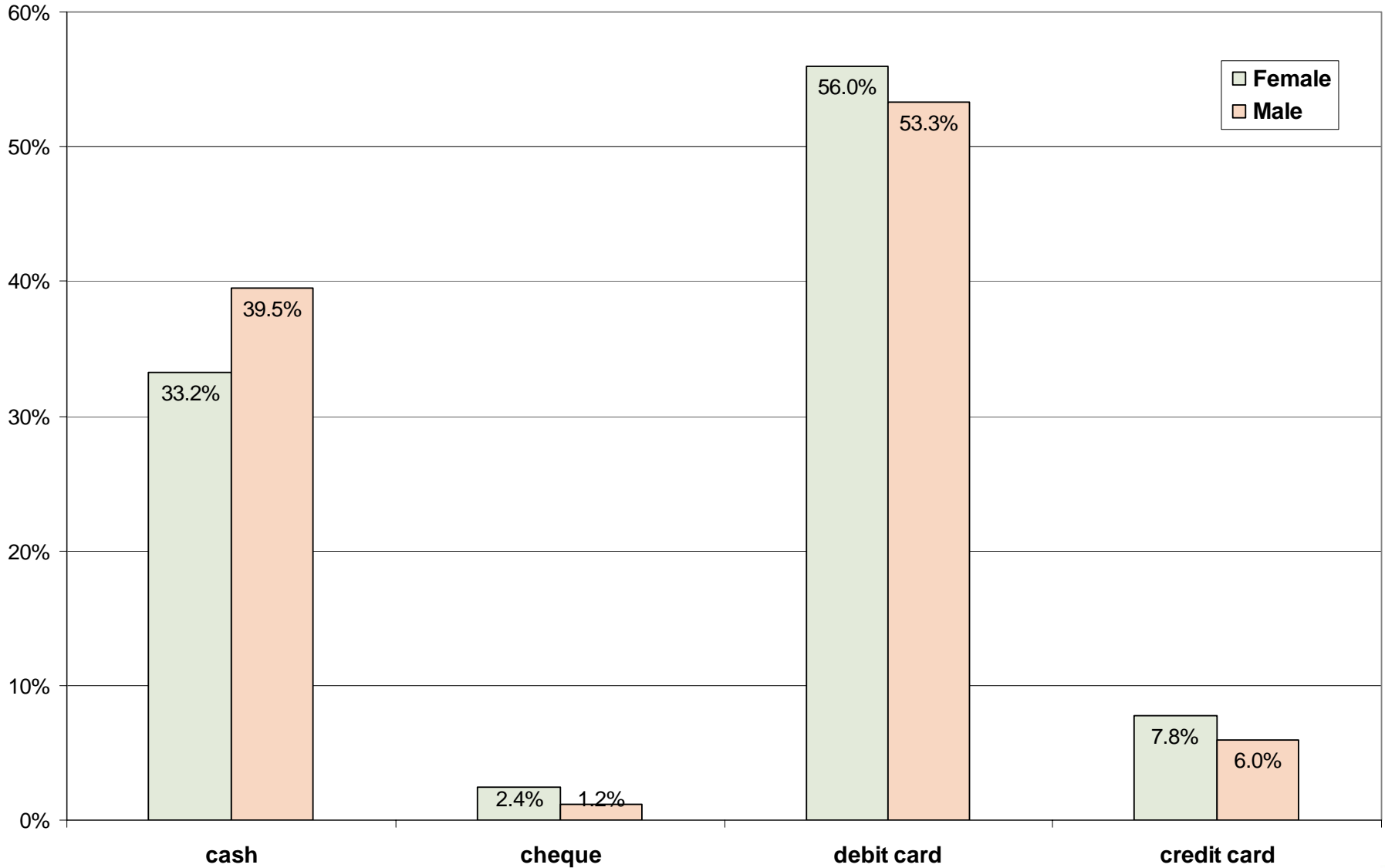
14b. Services by Age



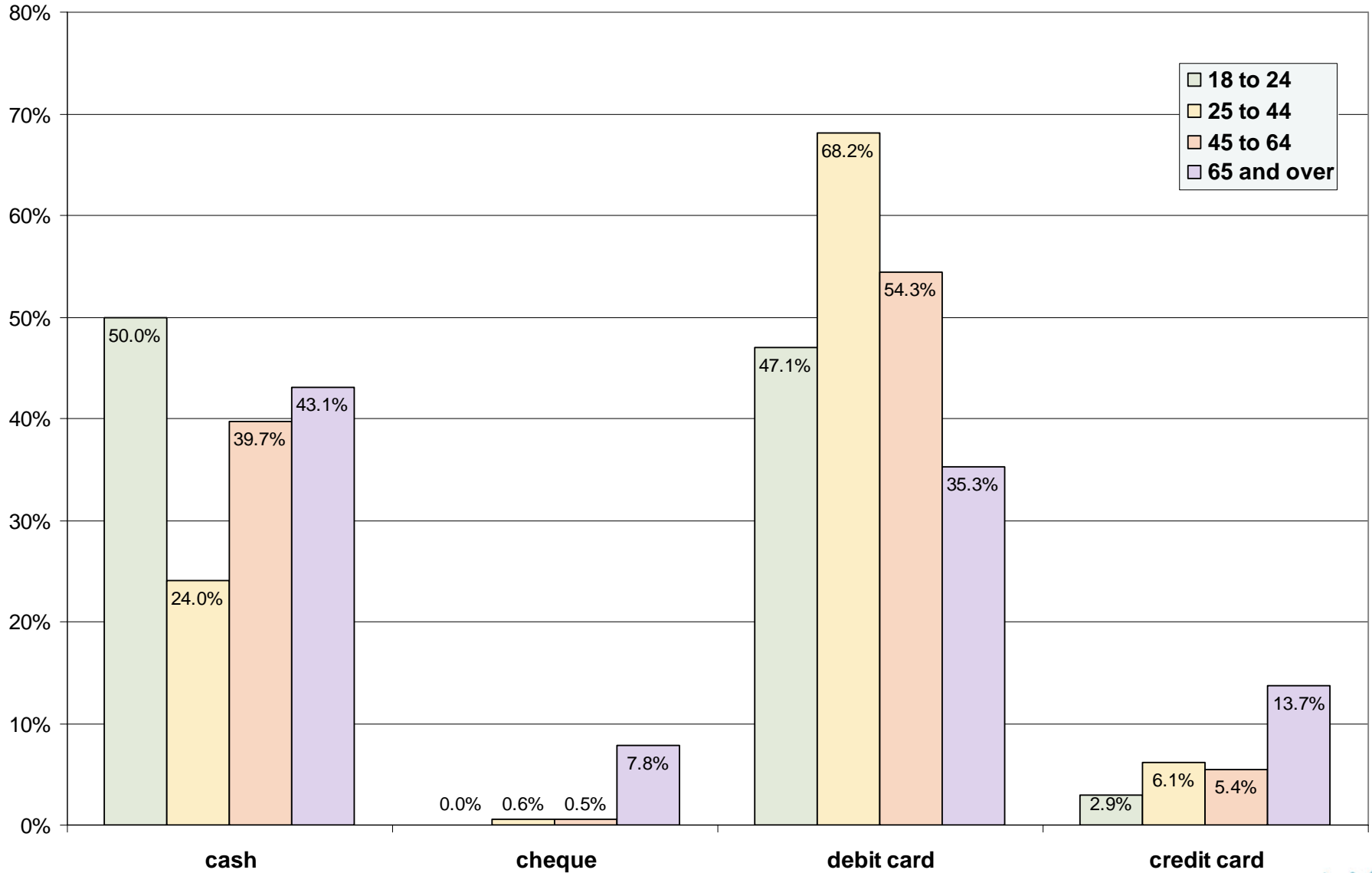
15. What form of payment do you mostly use when paying for your groceries?



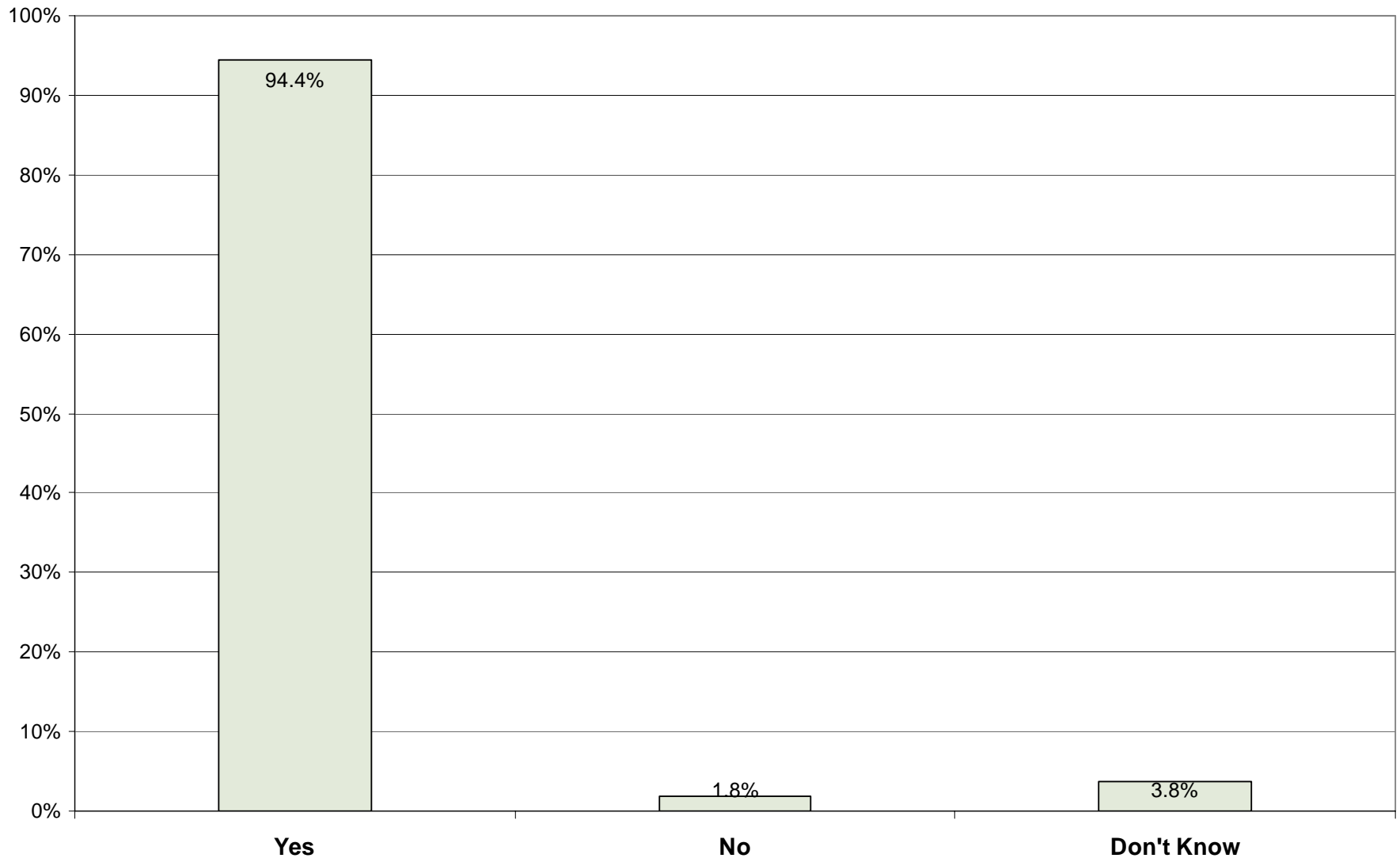
15a. Payment Method by Gender



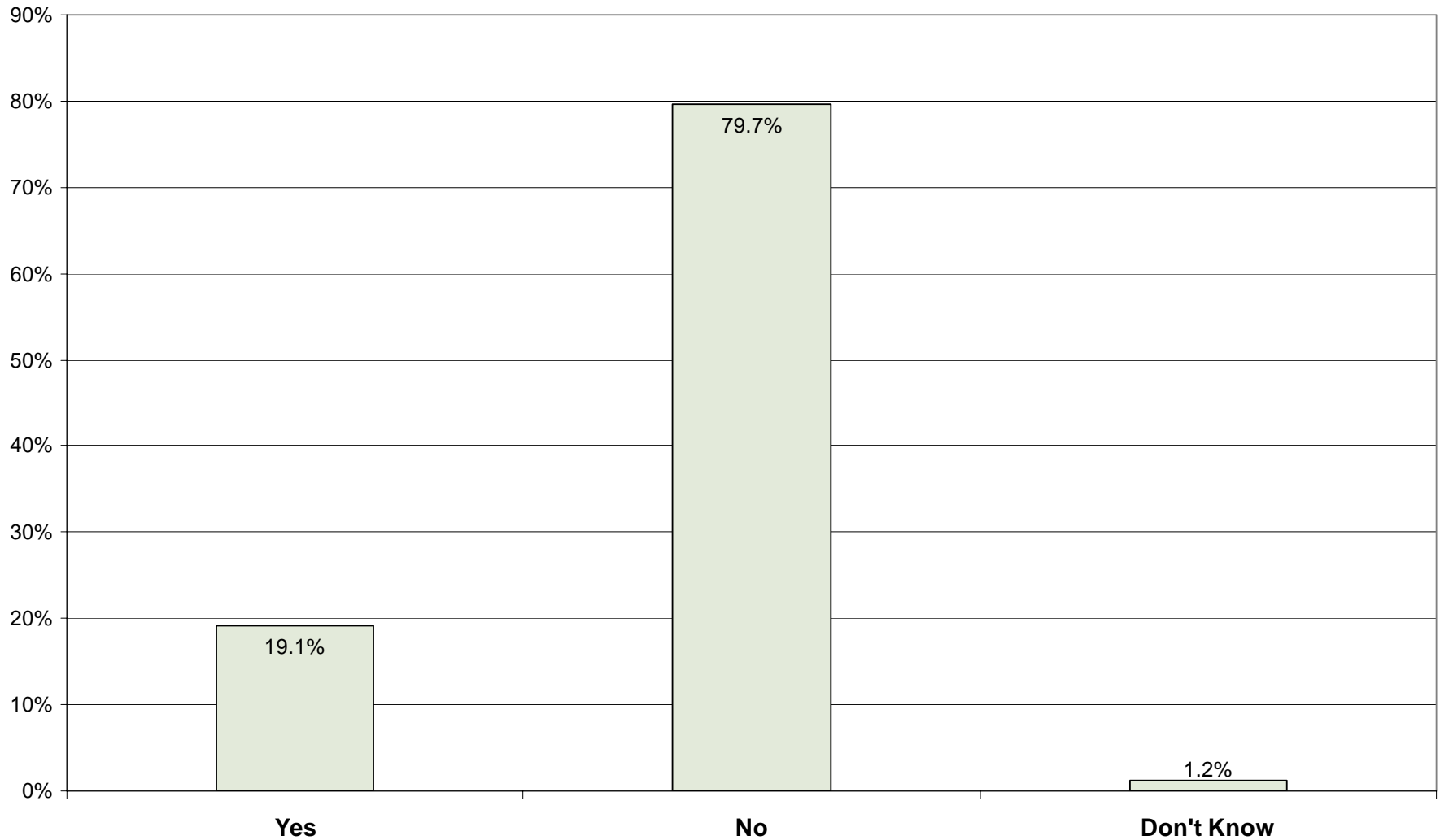
15b. Payment Method by Age



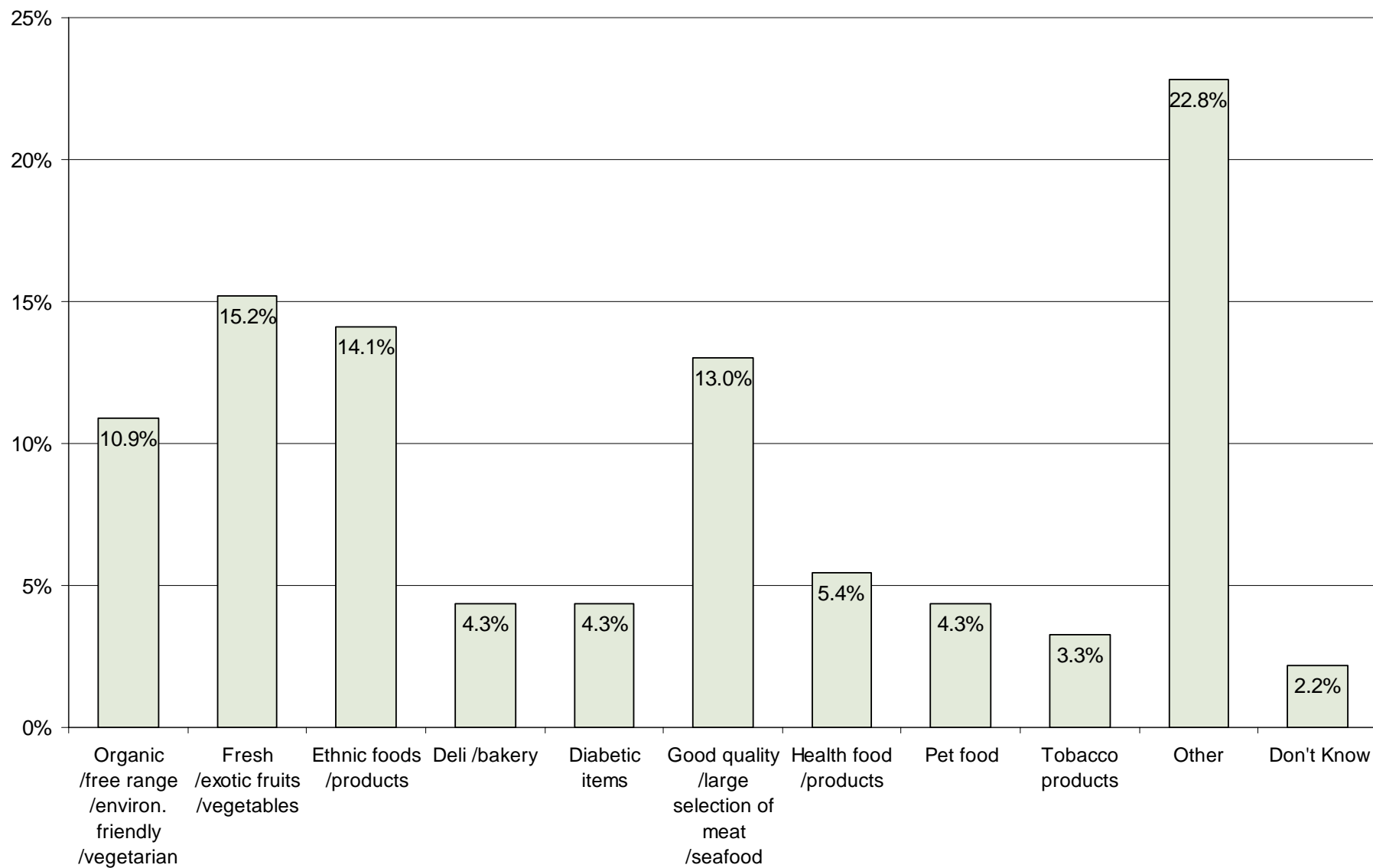
16. Would you support a grocery store in your neighbourhood?



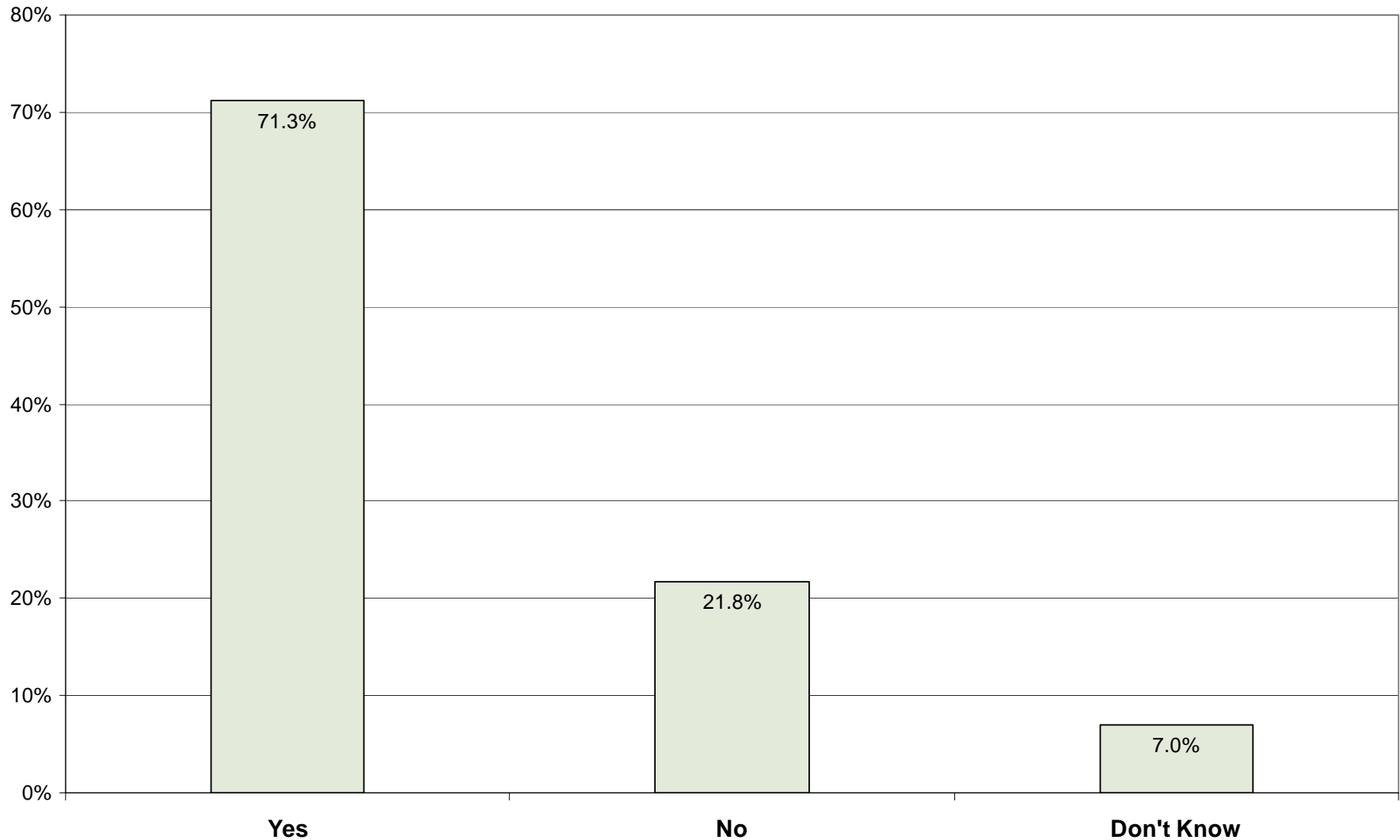
17. If there was grocery store in your neighbourhood is there any particular product, speciality or cultural item that you would like them to carry?



Q17a. Product, speciality or cultural item that you would like them to carry?



18. Are you more likely to do your grocery shopping at a local grocery store if there is neighbourhood involvement?



APPENDIX A:

Tables

Q01. Where do you currently do the majority of your grocery shopping?

	Response	Percent
Superstore	203	40.5%
Safeway	130	25.9%
Sobeys	29	5.8%
Extra Foods	82	16.4%
Giant Tiger	9	1.8%
Wholesale Club	21	4.2%
Co-Op	10	2.0%
Other	11	2.2%
Don't Know	6	1.2%
Total	501	

	Female		Male	
	Response	Percent	Response	Percent
Superstore	136	40.7%	67	40.1%
Safeway	82	24.6%	48	28.7%
Sobeys	23	6.9%	6	3.6%
Extra Foods	56	16.8%	26	15.6%
Giant Tiger	5	1.5%	4	2.4%
Wholesale Club	14	4.2%	7	4.2%
Co-Op	7	2.1%	3	1.8%
Other	8	2.4%	3	1.8%
Don't Know	3	0.9%	3	1.8%

	Rent		Own	
	Response	Percent	Response	Percent
Superstore	64	43.8%	138	39.2%
Safeway	28	19.2%	101	28.7%
Sobeys	6	4.1%	23	6.5%
Extra Foods	24	16.4%	57	16.2%
Giant Tiger	6	4.1%	3	0.9%
Wholesale Club	9	6.2%	12	3.4%
Co-Op	1	0.7%	9	2.6%
Other	6	4.1%	5	1.4%
Don't Know	2	1.4%	4	1.1%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Superstore	18	52.9%	77	43.0%	72	39.1%	35	34.3%
Safeway	7	20.6%	39	21.8%	51	27.7%	32	31.4%
Sobeys	1	2.9%	16	8.9%	10	5.4%	2	2.0%
Extra Foods	5	14.7%	24	13.4%	36	19.6%	17	16.7%
Giant Tiger	1	2.9%	6	3.4%	2	1.1%	0	0.0%
Wholesale Club	0	0.0%	10	5.6%	8	4.3%	3	2.9%
Co-Op	0	0.0%	0	0.0%	1	0.5%	9	8.8%
Other	1	2.9%	5	2.8%	2	1.1%	3	2.9%
Don't Know	1	2.9%	2	1.1%	2	1.1%	1	1.0%

	Household Size							
	1		2		3 - 4		5 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Superstore	33	24.4%	77	41.8%	56	43.4%	37	71.2%
Safeway	49	36.3%	49	26.6%	28	21.7%	4	7.7%
Sobeys	9	6.7%	8	4.3%	11	8.5%	1	1.9%
Extra Foods	22	16.3%	29	15.8%	23	17.8%	7	13.5%
Giant Tiger	4	3.0%	1	0.5%	4	3.1%	0	0.0%
Wholesale Club	7	5.2%	8	4.3%	4	3.1%	2	3.8%
Co-Op	4	3.0%	5	2.7%	1	0.8%	0	0.0%
Other	4	3.0%	5	2.7%	1	0.8%	1	1.9%
Don't Know	3	2.2%	2	1.1%	1	0.8%	0	0.0%

	Income								Refused	
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over			
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Superstore	31	34.4%	56	41.2%	40	51.3%	22	39.3%	54	38.3%
Safeway	24	26.7%	30	22.1%	18	23.1%	20	35.7%	38	27.0%
Sobeys	3	3.3%	11	8.1%	4	5.1%	4	7.1%	7	5.0%
Extra Foods	20	22.2%	23	16.9%	9	11.5%	7	12.5%	23	16.3%
Giant Tiger	5	5.6%	2	1.5%	1	1.3%	0	0.0%	1	0.7%
Wholesale Club	5	5.6%	6	4.4%	2	2.6%	1	1.8%	7	5.0%
Co-Op	1	1.1%	3	2.2%	2	2.6%	0	0.0%	4	2.8%
Other	0	0.0%	1	0.7%	1	1.3%	2	3.6%	7	5.0%
Don't Know	1	1.1%	4	2.9%	1	1.3%	0	0.0%	0	0.0%

Q02. Which location would that be?

	Response	Percent
E/Victoria Square/Prince of Whales/Glencairn	26	5.2%
S/25th Ave & Albert/23rd Ave	13	2.6%
N/Albert/Avonhurst	64	12.8%
NW/Rochdale/Sherwood/Normanview	194	38.7%
Southland Mall	6	1.2%
Northgate Mall	2	0.4%
13th Ave	41	8.2%
Rosemont	34	6.8%
4th Ave & Broad St	21	4.2%
Golden Mile	11	2.2%
Broadway Ave	11	2.2%
Regent Park	45	9.0%
4th & McIntosh St	5	1.0%
4th Ave	16	3.2%
Don't Know	12	2.4%
Total	501	

Q03. What is the main reason you choose to shop

	Response	Percent
Convenience in location	225	44.9%
Prices	176	35.1%
Product selection	52	10.4%
Delivery service	1	0.2%
Customer service	10	2.0%
Small store	5	1.0%
Member/air miles program	8	1.6%
Other	10	2.0%
Don't Know	14	2.8%
Total	501	

Gender				
	Female		Male	
	Response	Percent	Response	Percent
Convenience in location	142	42.5%	83	49.7%
Prices	127	38.0%	49	29.3%
Product selection	33	9.9%	19	11.4%
Delivery service	1	0.3%	0	0.0%
Customer service	6	1.8%	4	2.4%
Small store	3	0.9%	2	1.2%
Member/air miles program	6	1.8%	2	1.2%
Other	7	2.1%	3	1.8%
Don't Know	9	2.7%	5	3.0%

Dwelling Type				
	Rent		Own	
	Response	Percent	Response	Percent
Convenience in location	68	46.6%	156	44.3%
Prices	46	31.5%	128	36.4%
Product selection	17	11.6%	35	9.9%
Delivery service	0	0.0%	1	0.3%
Customer service	1	0.7%	9	2.6%
Small store	2	1.4%	3	0.9%
Member/air miles program	1	0.7%	7	2.0%
Other	4	2.7%	6	1.7%
Don't Know	7	4.8%	7	2.0%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Convenience in location	12	35.3%	78	43.6%	90	48.9%	44	43.1%
Prices	13	38.2%	62	34.6%	61	33.2%	39	38.2%
Product selection	5	14.7%	23	12.8%	20	10.9%	4	3.9%
Delivery service	0	0.0%	0	0.0%	0	0.0%	1	1.0%
Customer service	1	2.9%	6	3.4%	2	1.1%	1	1.0%
Small store	1	2.9%	0	0.0%	3	1.6%	1	1.0%
Member/air miles program	2	5.9%	3	1.7%	0	0.0%	3	2.9%
Other	0	0.0%	4	2.2%	3	1.6%	3	2.9%
Don't Know	0	0.0%	3	1.7%	5	2.7%	6	5.9%

	Household Size							
	1		2		3 - 4		5 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Convenience in location	71	52.6%	76	41.3%	61	47.3%	17	32.7%
Prices	35	25.9%	65	35.3%	46	35.7%	29	55.8%
Product selection	10	7.4%	23	12.5%	15	11.6%	4	7.7%
Delivery service	1	0.7%	0	0.0%	0	0.0%	0	0.0%
Customer service	2	1.5%	5	2.7%	2	1.6%	1	1.9%
Small store	2	1.5%	3	1.6%	0	0.0%	0	0.0%
Member/air miles program	1	0.7%	5	2.7%	2	1.6%	0	0.0%
Other	6	4.4%	2	1.1%	2	1.6%	0	0.0%
Don't Know	7	5.2%	5	2.7%	1	0.8%	1	1.9%

	Income									
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over		Refused	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Convenience in location	42	46.7%	68	50.0%	31	39.7%	20	35.7%	64	45.4%
Prices	30	33.3%	46	33.8%	30	38.5%	20	35.7%	50	35.5%
Product selection	8	8.9%	13	9.6%	12	15.4%	5	8.9%	14	9.9%
Delivery service	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.7%
Customer service	1	1.1%	3	2.2%	1	1.3%	5	8.9%	0	0.0%
Small store	1	1.1%	0	0.0%	1	1.3%	0	0.0%	3	2.1%
Member/air miles program	0	0.0%	2	1.5%	1	1.3%	2	3.6%	3	2.1%
Other	4	4.4%	3	2.2%	0	0.0%	2	3.6%	1	0.7%
Don't Know	4	4.4%	1	0.7%	2	2.6%	2	3.6%	5	3.5%

Q04. What times of the day do you normally do your grocery shopping?

	Response	Percent
Mornings (9am - noon)	148	29.5%
Afternoons (noon - 6pm)	183	36.5%
Evenings (6pm - 9pm)	121	24.2%
Don't Know	49	9.8%
Total	501	

	Gender			
	Female		Male	
	Response	Percent	Response	Percent
Mornings (9am - noon)	99	29.6%	49	29.3%
Afternoons (noon - 6pm)	130	38.9%	53	31.7%
Evenings (6pm - 9pm)	76	22.8%	45	26.9%
Don't Know	29	8.7%	20	12.0%

	Dwelling Type			
	Rent		Own	
	Response	Percent	Response	Percent
Mornings (9am - noon)	35	24.0%	113	32.1%
Afternoons (noon - 6pm)	62	42.5%	119	33.8%
Evenings (6pm - 9pm)	34	23.3%	87	24.7%
Don't Know	15	10.3%	33	9.4%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Mornings (9am - noon)	2	5.9%	31	17.3%	66	35.9%	48	47.1%
Afternoons (noon - 6pm)	18	52.9%	62	34.6%	60	32.6%	43	42.2%
Evenings (6pm - 9pm)	13	38.2%	65	36.3%	42	22.8%	0	0.0%
Don't Know	1	2.9%	21	11.7%	16	8.7%	11	10.8%

	Income									
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over		Refused	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Mornings (9am - noon)	32	35.6%	34	25.0%	25	32.1%	8	14.3%	49	34.8%
Afternoons (noon - 6pm)	39	43.3%	60	44.1%	23	29.5%	14	25.0%	47	33.3%
Evenings (6pm - 9pm)	9	10.0%	30	22.1%	23	29.5%	26	46.4%	33	23.4%
Don't Know	10	11.1%	12	8.8%	7	9.0%	8	14.3%	12	8.5%

Q05. How often do you do your grocery shopping?

	Response	Percent
Daily	8	1.6%
Once a week	200	39.9%
Twice a week	74	14.8%
Three or more times a week	30	6.0%
Bi-weekly (every two weeks)	144	28.7%
Monthly	38	7.6%
Other	5	1.0%
Don't Know	2	0.4%
Total	501	

	Gender			
	Female		Male	
	Response	Percent	Response	Percent
Daily	7	2.1%	1	0.6%
Once a week	144	43.1%	56	33.5%
Twice a week	50	15.0%	24	14.4%
Three or more times a week	13	3.9%	17	10.2%
Bi-weekly (every two weeks)	97	29.0%	47	28.1%
Monthly	22	6.6%	16	9.6%
Other	0	0.0%	5	3.0%
Don't Know	1	0.3%	1	0.6%

	Dwelling Type			
	Rent		Own	
	Response	Percent	Response	Percent
Daily	1	0.7%	7	2.0%
Once a week	43	29.5%	154	43.8%
Twice a week	22	15.1%	52	14.8%
Three or more times a week	8	5.5%	22	6.3%
Bi-weekly (every two weeks)	56	38.4%	88	25.0%
Monthly	13	8.9%	25	7.1%
Other	2	1.4%	3	0.9%
Don't Know	1	0.7%	1	0.3%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Daily	0	0.0%	5	2.8%	3	1.6%	0	0.0%
Once a week	10	29.4%	72	40.2%	77	41.8%	40	39.2%
Twice a week	3	8.8%	20	11.2%	33	17.9%	18	17.6%
Three or more times a week	0	0.0%	11	6.1%	14	7.6%	5	4.9%
Bi-weekly (every two weeks)	17	50.0%	54	30.2%	48	26.1%	24	23.5%
Monthly	4	11.8%	11	6.1%	8	4.3%	15	14.7%
Other	0	0.0%	4	2.2%	1	0.5%	0	0.0%
Don't Know	0	0.0%	2	1.1%	0	0.0%	0	0.0%

	Income								Refused	
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over			
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Daily	0	0.0%	4	2.9%	2	2.6%	1	1.8%	1	0.7%
Once a week	23	25.6%	52	38.2%	40	51.3%	22	39.3%	63	44.7%
Twice a week	15	16.7%	20	14.7%	7	9.0%	12	21.4%	20	14.2%
Three or more times a week	5	5.6%	6	4.4%	5	6.4%	5	8.9%	9	6.4%
Bi-weekly (every two weeks)	32	35.6%	41	30.1%	21	26.9%	14	25.0%	36	25.5%
Monthly	12	13.3%	13	9.6%	1	1.3%	1	1.8%	11	7.8%
Other	2	2.2%	0	0.0%	1	1.3%	1	1.8%	1	0.7%
Don't Know	1	1.1%	0	0.0%	1	1.3%	0	0.0%	0	0.0%

Q06. On average how much do you normally spend grocery shopping in a month?

	Response	Percent
Under \$100	22	4.4%
\$101 - \$200	114	22.8%
\$201 - \$300	111	22.2%
\$301 - \$500	168	33.5%
More than \$500	61	12.2%
Don't Know	22	4.4%
Refused	3	0.6%
Total	501	

	Gender			
	Female		Male	
	Response	Percent	Response	Percent
Under \$100	12	3.6%	10	6.0%
\$101 - \$200	77	23.1%	37	22.2%
\$201 - \$300	71	21.3%	40	24.0%
\$301 - \$500	111	33.2%	57	34.1%
More than \$500	47	14.1%	14	8.4%
Don't Know	13	3.9%	9	5.4%
Refused	3	0.9%	0	0.0%

	Dwelling Type			
	Rent		Own	
	Response	Percent	Response	Percent
Under \$100	10	6.8%	11	3.1%
\$101 - \$200	32	21.9%	82	23.3%
\$201 - \$300	38	26.0%	72	20.5%
\$301 - \$500	43	29.5%	124	35.2%
More than \$500	17	11.6%	44	12.5%
Don't Know	3	2.1%	19	5.4%
Refused	3	2.1%	0	0.0%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Under \$100	3	8.8%	4	2.2%	8	4.3%	7	6.9%
\$101 - \$200	8	23.5%	25	14.0%	46	25.0%	34	33.3%
\$201 - \$300	12	35.3%	37	20.7%	38	20.7%	24	23.5%
\$301 - \$500	8	23.5%	75	41.9%	63	34.2%	22	21.6%
More than \$500	2	5.9%	35	19.6%	19	10.3%	5	4.9%
Don't Know	1	2.9%	2	1.1%	9	4.9%	9	8.8%
Refused	0	0.0%	1	0.6%	1	0.5%	1	1.0%

	Household Size							
	1		2		3 - 4		5 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Under \$100	15	11.1%	6	3.3%	1	0.8%	0	0.0%
\$101 - \$200	68	50.4%	39	21.2%	6	4.7%	1	1.9%
\$201 - \$300	27	20.0%	47	25.5%	31	24.0%	6	11.5%
\$301 - \$500	17	12.6%	65	35.3%	63	48.8%	23	44.2%
More than \$500	1	0.7%	14	7.6%	25	19.4%	21	40.4%
Don't Know	5	3.7%	13	7.1%	2	1.6%	1	1.9%
Refused	2	1.5%	0	0.0%	1	0.8%	0	0.0%

	Income								Refused	
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over			
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Under \$100	11	12.2%	5	3.7%	2	2.6%	0	0.0%	4	2.8%
\$101 - \$200	39	43.3%	25	18.4%	13	16.7%	5	8.9%	32	22.7%
\$201 - \$300	18	20.0%	33	24.3%	18	23.1%	11	19.6%	31	22.0%
\$301 - \$500	13	14.4%	54	39.7%	28	35.9%	30	53.6%	43	30.5%
More than \$500	6	6.7%	15	11.0%	15	19.2%	9	16.1%	16	11.3%
Don't Know	2	2.2%	4	2.9%	2	2.6%	1	1.8%	13	9.2%
Refused	1	1.1%	0	0.0%	0	0.0%	0	0.0%	2	1.4%

Q07. On a scale of 1 to 10 with 1 being not at all impressed and 10 very impressed, how would you rate your current grocery store in the following areas:

	Customer service		Cleanliness of store		Freshness of foods		Competitively priced		Variety of products	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Not at all Impressed	21	4.2%	4	0.8%	7	1.4%	15	3.0%	8	1.6%
Not Impressed	68	13.6%	47	9.4%	49	9.8%	53	10.6%	40	8.0%
Impressed	223	44.5%	223	44.5%	231	46.1%	182	36.3%	190	37.9%
Very Impressed	183	36.5%	220	43.9%	206	41.1%	228	45.5%	258	51.5%
Don't Know	6	1.2%	7	1.4%	8	1.6%	23	4.6%	5	1.0%
Total	501		501		501		501		501	

	Customer service		Cleanliness of store		Freshness of foods		Competitively priced		Variety of products	
	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score
Superstore	202	6.8	201	7.8	202	7.7	201	8.6	203	8.5
Safeway	129	8.6	129	8.6	128	8.3	116	6.4	128	8.2
Sobeys	28	8.3	29	8.6	29	8.4	29	8.0	29	8.4
Extra Foods	82	7.9	82	7.9	81	7.9	79	8.2	82	7.8
Giant Tiger	9	8.3	9	9.1	9	7.6	9	8.7	9	7.1
Wholesale Club	21	7.6	21	7.5	21	8.1	21	8.2	21	7.1
Co-Op	10	9.2	9	9.3	9	9.1	10	8.6	10	9.0
Other	9	8.6	9	8.7	9	8.3	8	8.3	9	8.1

Q08. What form of transportation do you currently use to get to the grocery store?

	Response	Percent
1. car	411	82.0%
2. bus	36	7.2%
3. taxi cab	18	3.6%
4. walk	18	3.6%
5. bike	1	0.2%
88. Other	17	3.4%
Total	501	

Q09. Approximately how much does it cost per round trip for taxi cab?

	Response	Percent
1. \$5 - \$25	29	82.9%
2. \$26 - \$50	4	11.4%
98. Don't Know	2	5.7%
Total	35	

Q10. how important it is to you that a grocery store be located in your neighbourhood?

	Response	Percent
Not at all Important	18	3.6%
Not Important	16	3.2%
Important	89	17.8%
Very Important	378	75.4%
Total	501	

Q11. What would convince you to change where you currently grocery shop?

	Response	Percent
Price	142	28.3%
Location	273	54.5%
Neighbourhood Involvement	3	0.6%
Culture supplies	5	1.0%
Size/easy to find things	3	0.6%
Wouldn't change/already happy	10	2.0%
Customer service/cleanliness	4	0.8%
Product	12	2.4%
Other	5	1.0%
Don't Know	41	8.2%
Refused	3	0.6%
Total	501	

	Gender			
	Female		Male	
	Response	Percent	Response	Percent
Price	93	27.8%	49	29.3%
Location	180	53.9%	93	55.7%
Neighbourhood Involvement	1	0.3%	2	1.2%
Culture supplies	1	0.3%	4	2.4%
Size/easy to find things	2	0.6%	1	0.6%
Wouldn't change/already happy	9	2.7%	1	0.6%
Customer service/cleanliness	4	1.2%	0	0.0%
Product	7	2.1%	5	3.0%
Other	3	0.9%	2	1.2%
Don't Know	31	9.3%	10	6.0%
Refused	3	0.9%	0	0.0%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Price	8	23.5%	57	31.8%	52	28.3%	25	24.5%
Location	22	64.7%	90	50.3%	101	54.9%	59	57.8%
Neighbourhood Involvement	1	2.9%	2	1.1%	0	0.0%	0	0.0%
Culture supplies	0	0.0%	3	1.7%	2	1.1%	0	0.0%
Size/easy to find things	1	2.9%	0	0.0%	2	1.1%	0	0.0%
Wouldn't change/already happy	0	0.0%	3	1.7%	5	2.7%	2	2.0%
Customer service/cleanliness	1	2.9%	3	1.7%	0	0.0%	0	0.0%
Product	0	0.0%	7	3.9%	4	2.2%	1	1.0%
Other	0	0.0%	2	1.1%	3	1.6%	0	0.0%
Don't Know	1	2.9%	10	5.6%	15	8.2%	14	13.7%
Refused	0	0.0%	2	1.1%	0	0.0%	1	1.0%

	Household Size							
	1		2		3 - 4		5 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
Price	27	20.0%	55	29.9%	43	33.3%	16	30.8%
Location	80	59.3%	97	52.7%	66	51.2%	30	57.7%
Neighbourhood Involvement	0	0.0%	2	1.1%	1	0.8%	0	0.0%
Culture supplies	2	1.5%	1	0.5%	1	0.8%	1	1.9%
Size/easy to find things	0	0.0%	3	1.6%	0	0.0%	0	0.0%
Wouldn't change/already happy	4	3.0%	3	1.6%	3	2.3%	0	0.0%
Customer service/cleanliness	0	0.0%	1	0.5%	2	1.6%	1	1.9%
Product	5	3.7%	1	0.5%	6	4.7%	0	0.0%
Other	1	0.7%	3	1.6%	1	0.8%	0	0.0%
Don't Know	16	11.9%	17	9.2%	5	3.9%	3	5.8%
Refused	0	0.0%	1	0.5%	1	0.8%	1	1.9%

Q12. Is there a location within your neighbourhood that you would like to see a grocery store located?

	Response	Percent
Old Superstore (Albert & Dewdney)	205	41.0%
Down town area/central	19	3.8%
No/no comment	90	18.0%
North central/Red Ox /Paddock /Rainbow Youth Centre	49	9.8%
Albert St/north/strip mall	13	2.6%
North /north west	12	2.4%
Other	9	1.8%
Don't Know	103	20.6%
Total	500	

Q13. On a scale of 1 to 10 with 1 being not at all important and 10 being very important, how important to you is it that the following products be offered in a neighbourhood grocery store?

	Response	Avg. Score
dairy items	500	9.4
bakery items	500	8.0
meat items	500	9.0
canned goods	500	8.6
dried foods	500	8.7
baby items	491	5.0
paper products	500	8.5
beauty products	496	5.3
health products	497	7.2
personal hygiene	499	8.4

	Gender	
	Female	Male
dairy items	9.5	9.3
bakery items	8.0	8.0
meat items	9.1	8.9
canned goods	8.7	8.5
dried foods	8.8	8.4
baby items	5.1	4.7
paper products	8.5	8.4
beauty products	5.5	4.9
health products	7.3	7.2
personal hygiene	8.3	8.5

	Age Group			
	18 to 24	25 to 44	45 to 64	65 and over
dairy items	9.7	9.5	9.3	9.4
bakery items	7.7	8.3	8.0	7.6
meat items	9.3	9.0	9.0	9.0
canned goods	8.7	8.8	8.6	8.3
dried foods	9.2	8.8	8.6	8.5
baby items	7.5	5.6	4.5	3.8
paper products	8.6	8.6	8.3	8.5
beauty products	6.5	5.4	5.2	4.8
health products	8.3	7.8	6.9	6.5
personal hygiene	9.3	8.5	8.3	8.0

	Household Size			
	1	2	3 - 4	5 and over
dairy items	9.3	9.3	9.7	9.5
bakery items	7.8	8.0	8.0	8.4
meat items	9.0	9.0	9.1	9.3
canned goods	8.3	8.6	8.8	9.1
dried foods	8.3	8.7	8.9	9.2
baby items	4.0	4.3	5.9	7.6
paper products	8.4	8.4	8.4	9.2
beauty products	4.7	5.4	5.4	6.2
health products	6.4	7.2	7.8	8.1
personal hygiene	8.0	8.2	8.8	9.1

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	Income			
	Less than \$20,000	\$20,000 to \$40,000	\$40,000 to \$60,000	\$60,000 and over
dairy items	9.4	9.4	9.3	9.6
bakery items	8.3	8.2	7.9	8.1
meat items	9.4	8.9	9.1	9.1
canned goods	8.8	8.5	8.6	8.9
dried foods	8.9	8.6	8.6	8.7
baby items	4.9	5.3	4.9	4.3
paper products	8.9	8.5	8.0	8.2
beauty products	5.5	5.2	5.3	4.8
health products	7.9	7.2	6.7	6.8
personal hygiene	8.8	8.6	7.9	8.2

	Grocery Store						
	Superstore	Safeway	Sobeys	Extra Foods	Giant Tiger	Wholesale Club	Co-Op
dairy items	9.4	9.7	9.6	9.3	8.7	9.5	9.9
bakery items	7.9	8.1	7.9	8.1	8.9	8.3	8.1
meat items	8.9	9.2	9.1	9.2	9.4	9.4	8.7
canned goods	8.6	8.5	8.4	8.7	8.9	9.1	9.5
dried foods	8.6	8.7	8.6	8.6	8.9	9.4	9.5
baby items	5.2	4.2	4.9	5.7	4.1	5.1	6.4
paper products	8.5	8.5	7.9	8.1	9.7	9.5	9.5
beauty products	5.8	4.4	4.6	5.3	7.0	6.7	5.0
health products	7.6	7.0	6.2	6.8	8.9	7.8	6.9
personal hygiene	8.6	8.3	7.3	8.1	9.7	8.8	9.4

Q14. how important to you is it that the following services be offered in a neighbourhood grocery store?

	bag your groceries		delivery service		incentive/discount programs	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Not at all Important	108	21.6%	207	41.3%	43	8.6%
Unimportant	91	18.2%	77	15.4%	44	8.8%
Important	134	26.7%	112	22.4%	153	30.5%
Very Important	166	33.1%	98	19.6%	255	50.9%
Don't Know	2	0.4%	7	1.4%	6	1.2%
	501		501		501	

	Gender				Overall	
	Female		Male			
	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score
bag your groceries	333	6.4	166	6.2	499	6.4
delivery service	331	5.2	163	4.4	494	4.9
incentive/discount programs	331	8.1	164	7.4	495	7.9

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score
bag your groceries	34	6.8	179	6.3	183	6.0	101	7.0
delivery service	34	4.6	177	4.4	182	4.9	99	5.9
incentive/discount programs	33	8.3	179	7.9	180	7.7	101	8.0

	Income								Refused	
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over			
	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score	Response	Avg. Score
bag your groceries	90	6.4	136	6.3	78	6.6	56	5.8	139	6.5
delivery service	88	6.1	134	5.1	76	4.3	56	3.2	140	5.1
incentive/discount programs	89	8.5	136	7.8	77	7.5	56	7.4	137	7.8

Q15. What form of payment do you mostly use when paying for your groceries?

	Response	Percent
cash	177	35.3%
cheque	10	2.0%
debit card	276	55.1%
credit card	36	7.2%
Other	1	0.2%
Refused	1	0.2%
Total	501	

	Gender			
	Female		Male	
	Response	Percent	Response	Percent
cash	111	33.2%	66	39.5%
cheque	8	2.4%	2	1.2%
debit card	187	56.0%	89	53.3%
credit card	26	7.8%	10	6.0%
Other	1	0.3%	0	0.0%
Refused	1	0.3%	0	0.0%

	Age Group							
	18 to 24		25 to 44		45 to 64		65 and over	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent
cash	17	50.0%	43	24.0%	73	39.7%	44	43.1%
cheque	0	0.0%	1	0.6%	1	0.5%	8	7.8%
debit card	16	47.1%	122	68.2%	100	54.3%	36	35.3%
credit card	1	2.9%	11	6.1%	10	5.4%	14	13.7%
Other	0	0.0%	1	0.6%	0	0.0%	0	0.0%
Refused	0	0.0%	1	0.6%	0	0.0%	0	0.0%

	Income									
	Less than \$20,000		\$20,000 to \$40,000		\$40,000 to \$60,000		\$60,000 and over		Refused	
	Response	Percent	Response	Percent	Response	Percent	Response	Percent	Response	Percent
cash	53	58.9%	39	28.7%	24	30.8%	9	16.1%	52	36.9%
cheque	2	2.2%	2	1.5%	0	0.0%	0	0.0%	6	4.3%
debit card	29	32.2%	91	66.9%	43	55.1%	43	76.8%	70	49.6%
credit card	6	6.7%	3	2.2%	11	14.1%	3	5.4%	13	9.2%
Other	0	0.0%	0	0.0%	0	0.0%	1	1.8%	0	0.0%
Refused	0	0.0%	1	0.7%	0	0.0%	0	0.0%	0	0.0%

Q16. Would you support a grocery store in your neighbourhood?

	Response	Percent
Yes	473	94.4%
No	9	1.8%
Don't Know	19	3.8%
Total	501	

Q17. If there was grocery store in your neighbourhood is there any particular product, speciality or cultural item that you would like them to carry?

	Response	Percent
Yes	92	19.1%
No	384	79.7%
Don't Know	6	1.2%
Total	482	

Q17a. Product, speciality or cultural item that you would like them to carry?

	Response	Percent
organic/free range/environmentally friendly/vegetarian	10	10.9%
fresh/exotic fruits/vegetables	14	15.2%
ethnic foods/products	13	14.1%
deli/bakery	4	4.3%
diabetic items	4	4.3%
good quality/large selection of meat/seafood	12	13.0%
health food/products	5	5.4%
pet food	4	4.3%
tobacco products	3	3.3%
other	21	22.8%
Don't Know	2	2.2%
Total	92	

Q18. Are you more likely to do your grocery shopping at a local grocery store if there is neighbourhood involvement?

	Response	Percent
Yes	357	71.3%
No	109	21.8%
Don't Know	35	7.0%
Total	501	

Q22. How many people are there currently living in your household?

	Response	Percent
1	135	26.9%
2	184	36.7%
3 - 4	129	25.7%
5 and over	52	10.4%
Don't Know	1	0.2%
Total	501	

Appendix B:

Survey Instrument

Ehrlo Community Service Survey

Hello, my name is _____ calling from Arcas Research in Regina. We are conducting an independent survey on establishing a grocery store in North Central Regina. This is strictly for market research purposes and you will not be asked to purchase any products or services, nor will you receive a follow-up call based on your responses.

The interview will take a few minutes and your responses are kept confidential. Your opinions would be greatly appreciated do you have a few minutes to participate?

- ☐ Yes [CONTINUE](#)
☐ No [THANK & ARRANGE CALLBACK IF POSSIBLE](#)

Are you 18 years of age or older and primarily the person that does the grocery shopping for your household?

- ☐ Yes [CONTINUE](#)
☐ No May I please speak to the person that is? ([reintroduce yourself](#))

Q 1. Where do you currently do the majority of your grocery shopping? ([DON'T READ](#))

Superstore
Safeway
Sobeys
Extra Foods
Wal-Mart
Giant Tiger
Neighbourhood Store
Other _____

Q 2. Which location would that be? ([get street if possible](#))

Q 3. What is the main reason you choose to shop at _____ ([insert answer from Q1, DON'T READ](#))?

convenience in location
prices

Q 4. What times of the day do you normally do your grocery shopping?

mornings (9am - noon)

afternoons (noon - 6pm)

evenings (6pm - 9pm)

after 9PM

Q 5. How often do you do your grocery shopping?

daily

once a week

twice a week

three or more times a week

biweekly (every two weeks)

monthly

Other _____

Q 6. On average how much do you normally spend grocery shopping in a month?

Under \$100

\$101 - \$200

\$201 - \$300

\$301 - \$400

\$401 - \$500

\$501 - 600

\$601 - \$700

more then \$701

Q 7. On a scale of 1 to 10 with 1 being not at all impressed and 10 very impressed, how would you rate your current grocery store in the following areas:

Customer service

1 2 3 4 5 6 7 8 9 10 11 12

Not at all

Impressed

Very Don't Not
Impressed Know Appl.

Cleanliness of store

1 2 3 4 5 6 7 8 9 10 11 12

Q 8. What form of transportation do you currently use to get to the grocery store?

car [\(Link to Q10\)](#)

bus [\(Link to Q10\)](#)

taxi cab [\(Link to Q9\)](#)

walk [\(Link to Q10\)](#)

bike [\(Link to Q10\)](#)

other _____ [\(Link to Q10\)](#)

Q9. Approximately how much does it cost per round trip for?

\$5 - \$25

\$26 - \$50

\$51 - \$75

\$76 - \$100

More then \$100

Q 10 On a scale of 1 to 10 with 1 being not at all important and 10 very important, how important it is to you that a grocery store be located in your neighbourhood?

1 2 3 4 5 6 7 8 9 10 11 12

Not at all
Important

Very Don't Not
Important Know Appl.

Q 11. What would convince you to change where you currently grocery shop?

Price

Location

Neighbourhood Involvement

Culture supplies

Other _____

Q12. Is there a location within your neighbourhood that you would like to see a grocery store located?

Q 13. On a scale of 1 to 10 with 1 being not at all important and 10 being very important, how important to you is it that the following products be offered in a neighbourhood grocery store?

dairy items

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

bakery items

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

meat items

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

canned goods

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

dried foods (pasta's, cereals, etc)

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

baby items (food, supplies, etc)

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

paper products (toilet paper, paper towels, etc)

1	2	3	4	5	6	7	8	9	10	11	12
Not at all								Very Don't Not			
Important								Important Know App			

beauty products (makeup, creams, etc)

1	2	3	4	5	6	7	8	9	10	11	12
---	---	---	---	---	---	---	---	---	----	----	----

Q 14. On a scale of 1 to 10 with 1 being not at all important and 10 being very important, how important to you is it that the following services be offered in a neighbourhood grocery store?

bag your groceries

1 2 3 4 5 6 7 8 9 10 11 12

Not at all
Important

Very Don't Not
Important Know App

delivery service

1 2 3 4 5 6 7 8 9 10 11 12

Not at all
Important

Very Don't Not
Important Know App

incentive/discount programs

1 2 3 4 5 6 7 8 9 10 11 12

Not at all
Important

Very Don't Not
Important Know App

Q 15. What form of payment do you mostly use when paying for your groceries?

cash

cheque

debit card

credit card

other _____

Q 16. Would you support a grocery store in your neighbourhood?

Yes ([Go to Q17](#)) No ([skip to Q18](#)) Unsure/Don't know ([Go to Q 17](#))

Q 17. If there was grocery store in your neighbourhood is there any particular product, speciality or cultural item that you would like them to carry?

Yes ([specify Q17a](#)) No ([go to Q18](#)) Don't Know ([go to Q18](#))

Q 17a. [Yes/specify](#)

Q 18. Are you more likely to do your grocery shopping at a local grocery store if there is neighbourhood involvement?

Yes (Go To Q19) No (go to Q20) Don't know/unsure (Go To Q19)

Q 19. What type of neighbourhood involvement would you like to see?

Q 20. Is there any further comments you would like us to make regarding a neighbourhood grocery store?

Demographics

Q 21. Which of the following age groups do you belong?

18 - 24

25 - 34

35 - 44

45 - 54

55 - 64

65 or over

Refused

Q 22. How many people are there currently living in your household?

Q 23. How many are under the age of 18?

Q 24. Do you currently rent or own your house?

Rent

Own

Other _____

Q 25. Which of the following categories best describes your total household income?

less than \$20,000

less than \$30,000

less than \$40,000

less than \$50,000

less than \$60,000

less than \$70,000

less than \$80,000

less than \$90,000

less than \$100,000

\$100,000 and over

Don't know/NA

Refused

Could I please get your first name in case my supervisor calls back to confirm that this survey was actually completed and conducted according to directions?

Record first name.

NAME: _____

Note: If they ask for additional information about being called back, you can tell them: This is a quality control measure to ensure that our company's surveyors have not made up the answers on their completed surveys. We will verify a few answers to ensure the survey was conducted according to directions and ask if the surveyor acted in a friendly and professional manner.

That is all the questions I have. Thank you very much for participating in our survey.
Have a good day/afternoon!

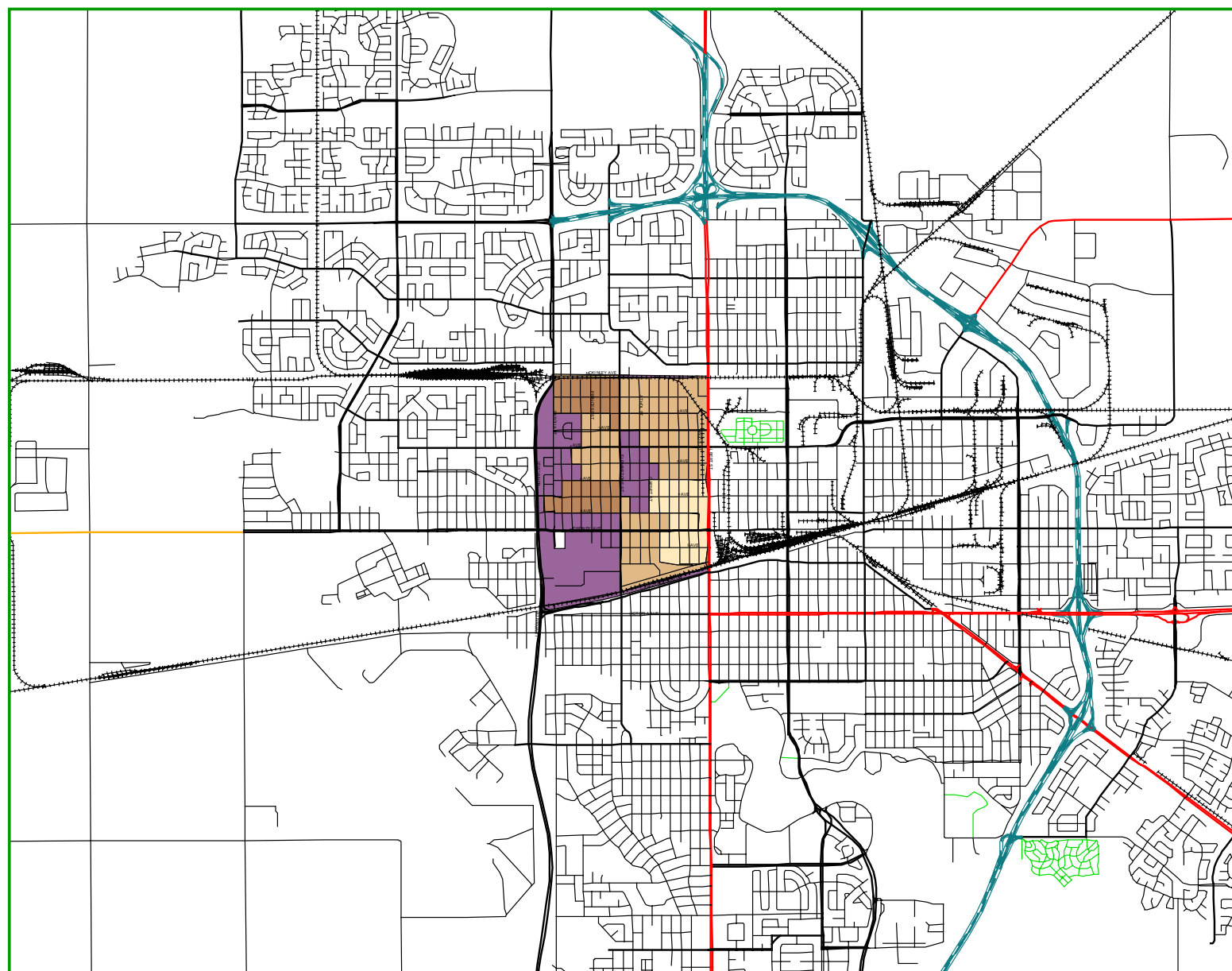
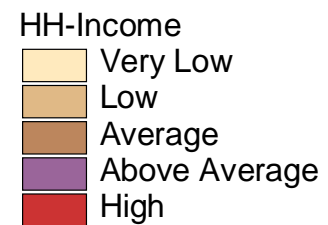
Appendix C:

North West Regina-Demographic Profile

Data Sources

- Census Canada
- Taxfiler Canada
- DMTI Streetfiles

North Central Regina



North Central Regina - Profile

Age

	Population	Percent
0 - 19	2591	20%
20 - 39	3644	29%
40 - 59	3755	29%
60 plus	2766	22%
	12756	

Marital Status

	Population	Percent
Single	4075	44%
Married	3105	34%
Divorced/Widowed	2075	22%

Dwellings

	Dwelling	Percent
Owned	2620	52%
Rented	2460	48%

House	4110	81%
Apartment	970	19%

Built before 1960	3650	72%
1960 - 1980	1095	22%
1980 and above	305	6%

	Population	Percent
Less than grade 9	1675	16%
Grade 9 to 12	4451	44%
Trades/Certificates	745	7%
Some University	2875	28%
University Graduate	465	5%

Income

Average Household Income	\$28,000
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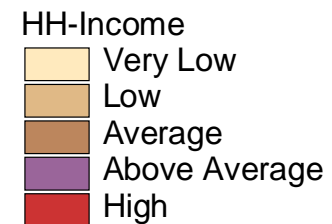
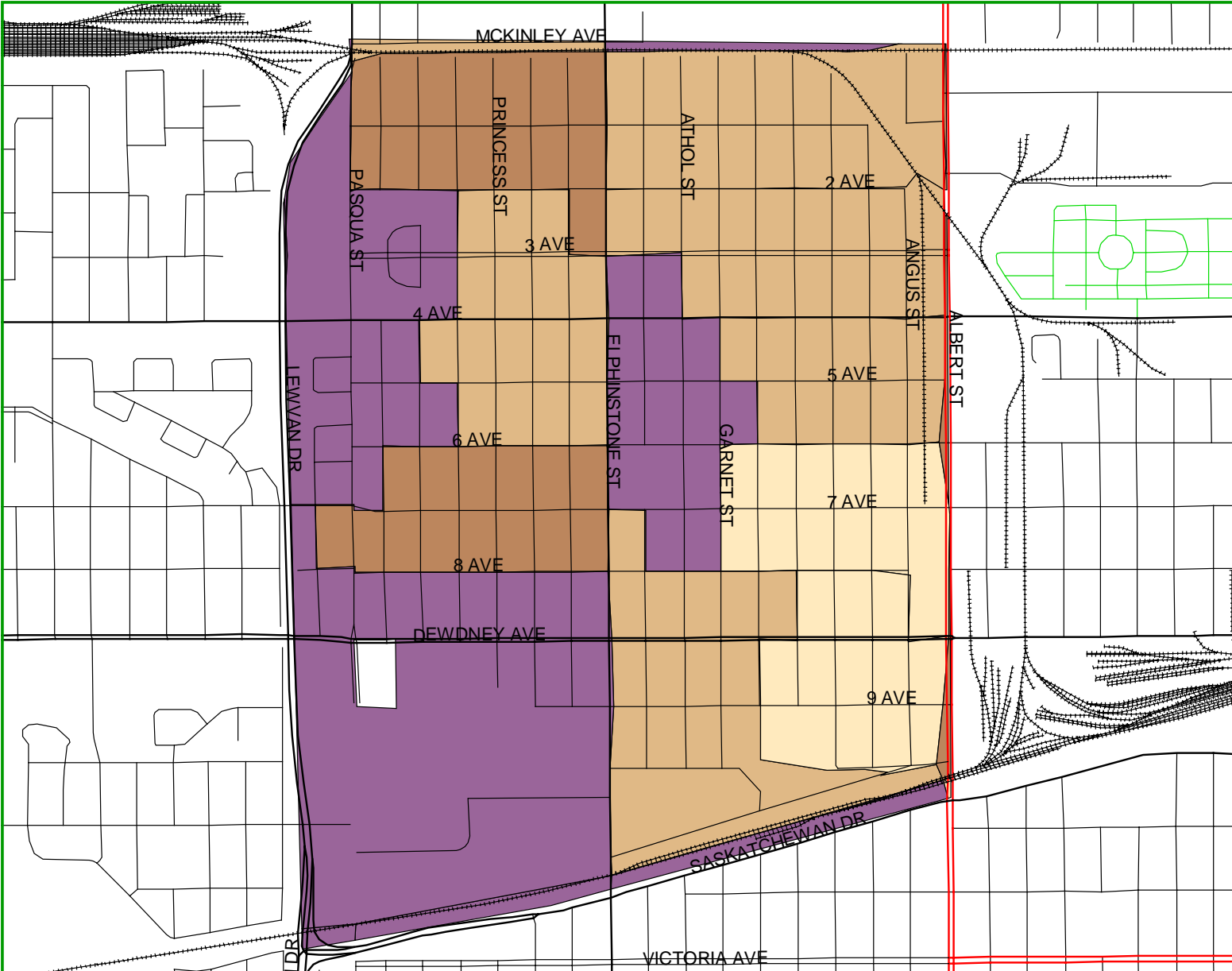
Immigrants

	Population	Percent
Canadian	10870	#DIV/0!
Immigrants	920	8%

Ethnicity

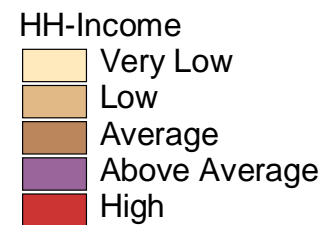
	Population	Percent
French origins	967	8%
Western European	3211	26%
Northern European	845	7%
Eastern European	2119	17%
Southern European	280	2%
West Asian/Arab	20	0%
South Asian	55	0%
East / South East Asian	605	5%
African	60	0%
Latin, Central and South American	85	1%
Caribbean	55	0%
Aboriginal	2650	21%
American - U.S.	120	1%
Canadian / Quebecois	1455	12%

North Central Regina

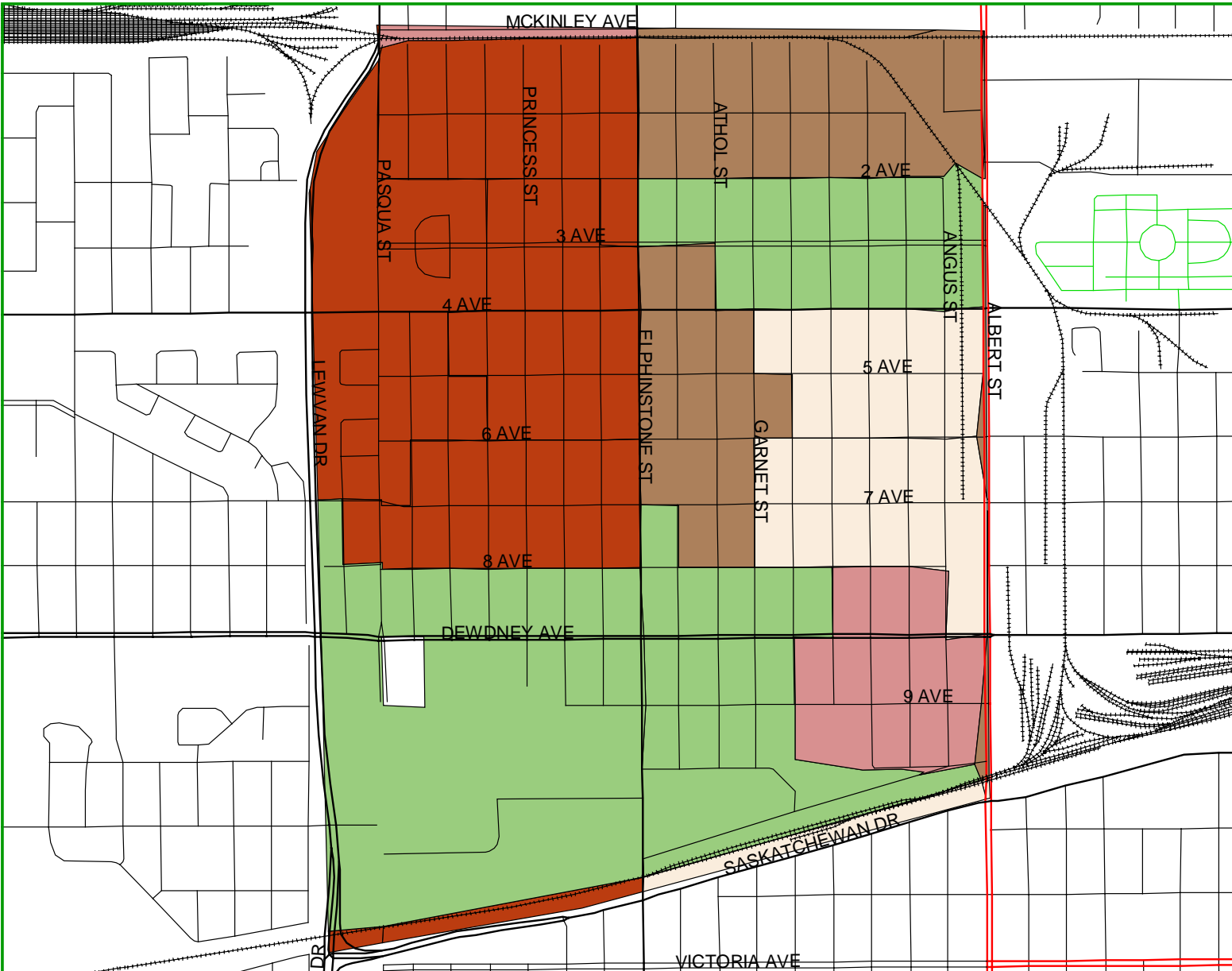


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North Central Regina



North Central Regina



% Home Owners

- 60% or above
- 50% to 60%
- 40% to 50%
- 30% to 40%
- Less than 30%

ARCAS
STRATEGIC MARKETING GROUP

North Central Regina

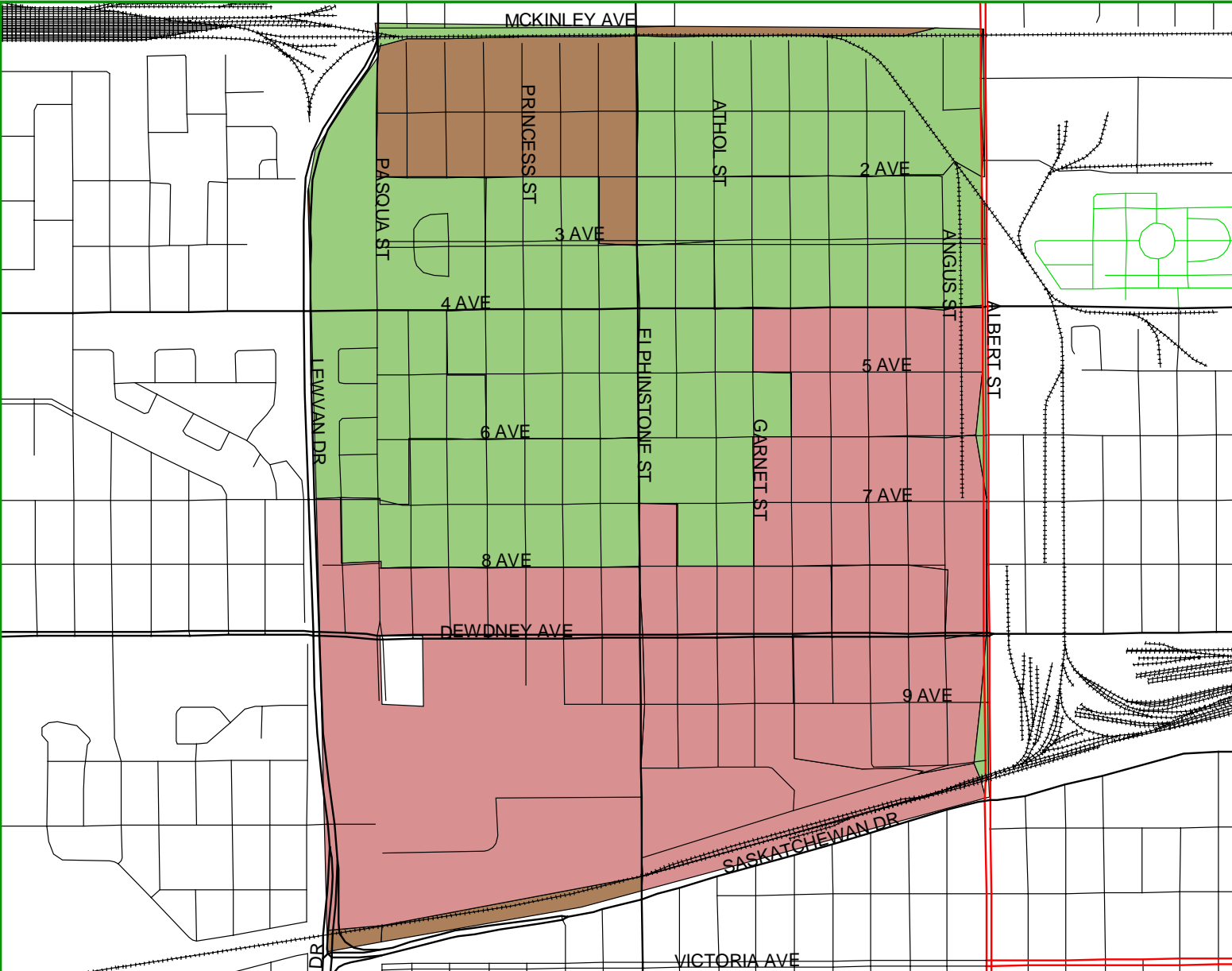
Education
% Grade 12 or less

- 60% or above
- 45% to 60%
- 30% to 45%
- Less than 30%

ARCAS
STRATEGIC MARKETING GROUP



North Central Regina



% Married

- 50% or above
- 40% to 50%
- 30% to 40%
- 20% to 30%
- Less than 20%

ARCAS
STRATEGIC MARKETING GROUP

Marital Status

Confidential