Walmart Expansion:
Potential Economic Impacts in Thunder Bay

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Executive Summary

In the Fall of 2012, two additional Walmart stores will open in Thunder Bay, Ontario. In the past, Walmart has provided job opportunities in the City and it continues to offer greater consumer selection of its products at affordable prices. With two additional Walmart's entering the local economy, there is potential for more consumer selection and additional retail employment opportunities, but at what cost? Local retailers may not be able to compete with Walmart's "everyday low prices" strategy and aggressive expansion into Thunder Bay. The purpose of this report is to analyze the potential economic impacts and consumer sentiments of both the existing and new Walmart stores in Thunder Bay.

Prior literature suggests that the most significant economic and social issues associated with Walmart are: (i) negative impact on local small businesses, (ii) increased traffic levels, (iii) various types and degrees of pollution, (iv) property taxes and land value, and (v) burden on wages (Beaver, 2005).

This study utilized a survey of Thunder Bay residents in order to gauge the consumer sentiment towards Walmart and local retailers. A total of 308 residents responded from across Thunder Bay. Some of the key findings of the survey suggest:

- 75% of consumer survey respondents feel that Thunder Bay does not need additional Walmart stores. A CBC online pole also demonstrated near identical results, with 73% of respondents answering no to the question, "Do you think Thunder Bay needs three Walmart stores?"
- 75% of consumer survey respondents feel that multiple Walmart stores will have a negative economic impact on Thunder Bay's local businesses.
- 66% of consumer survey respondents indicated that they were not concerned about increased traffic in the new Walmart areas. This may be related to the fact that these locations are already established for such operations.

A survey was also utilized to gauge the local small business retailer's sentiment towards Walmart, along with the perceived impact of Walmart on their business. A total of 22 small business owners responded to the survey. Some of the key findings of the survey suggest:

- A total of 50% of local small business survey respondents claimed that Walmart has or is currently affecting their local business. Of those respondents 73% rated the overall impact negatively.
- A total of 73% of small business respondents expressed that they were not concerned about a possible price war between Walmart and Target.

An analysis of historical retail store trends in Thunder Bay from 1990 to 2000 suggests a significant decline in the number of local retailers after the initial Walmart entered the Thunder Bay market in 1995. The results reveal that there were 487 local retailers listed in the local Yellow Pages in 1990. In 1995, the number decreased by 45 to 442 retailers (1.53% decline prior to Walmart's entry). By 2000, there were 389 local retailers, which is a significant increase in the decline of retail stores (3.47 %).

The report estimates the potential job losses as a result of Walmart entering the Thunder Bay market. The following is a summary of job loss estimates:

1. When examining Walmart and local small businesses for the years 1995 to 2000, our study estimates that there was a loss of 792 local small business jobs and a gain of approximately 500 Walmart jobs, resulting in a net job loss of 292 jobs.
2. When examining Walmart and the three Zellers locations in Thunder Bay, Walmart is expected to be hiring an additional 200 people while Zellers employed 390 people. The new Target in Intercity Shopping Centre will offset a significant portion of the 190 jobs lost; however, it is expected that a net job loss will result once Walmart's temporary remodeling position cease.

Overall, after analyzing the data, the results suggest that Walmart has had a negative economic impact on local small business, wages, labour pool, and recirculation of money in the local economy. Positively, Walmart has provided job opportunities in Thunder Bay and greater variety of products at more affordable prices.

Table of Contents

Table of Tables

Table of Figures

Part One: Introduction

1.0 Introduction

On September 24, 2011 Walmart Canada announced that it had finished negotiating with Target Canada for the rights to Zellers' 39 leased locations across the country. As of January 31, 2012, Walmart had 333 store locations across Canada, of which 164 that are supercenters. Thunder Bay's current Walmart is a Supercenter. By the end of January 2013, it will have 375 locations across the country (Walmart Canada, 2011).

In 2012, Walmart hired 900 new employees throughout Canada for positions ranging from sales associates to store managers. By the end of January 31, 2013 Walmart Canada will hire an estimated total of 94,000 new employees across Canada (Walmart Canada, 2011). Walmart Canada will be building 19 of the 39 new stores in Ontario (Traber, 2012), two of which in the city of Thunder Bay.

The two new stores will results in a total of three Walmart stores in Thunder Bay. Of the three stores, one has been constructed since 1995 at Memorial Ave & Central Ave. The second and third stores will be constructed and located in the space Zellers previously occupied in the County Fair Mall and Arthur Street Marketplace, respectively.

1.1 Purpose

The entrance of these two new stores in Thunder Bay may have a significant impact on Thunder Bay's economy. These stores may create and eliminate many jobs and local small businesses in Thunder Bay.

Thunder Bay Ventures commissioned this study for the purpose of analyzing the economic impacts and community sentiment of the current and two additional Walmart stores in the City of Thunder Bay. A specific focus of this study is the impact of Walmart on local, small businesses. Local small businesses are defined in this report as independently owned, operated, and controlled by a resident(s) of Thunder Bay.

This report is organized into the following sections: (1) Background and prior studies; (2) Economic impacts of consumer spending; (3) Economic impacts on local businesses; and (4) Economic impacts of Thunder Bay's labour markets.

1.2 Methodology and Data Sources

This study relies upon a mix of primary and secondary data. There were two surveys utilized in this report for the collection of primary research. Surveys used in this report were designed and conducted by Small Business Consulting Services (SBCS). These surveys use Likert-scales (1 to 5), and categorical questions in both consumer and business surveys to analyze data. The respondents to these surveys were randomly selected local residents and small businesses owners in Thunder Bay.

The first survey was administered to small businesses. The small business surveys were circulated to local small business owners that are directly in competition and affected by Walmart both positively and negatively. The Business survey consisted of 11 questions, 1 page doubled sided, which examined local business statistics, strategies, attitudes and beliefs. The local small business survey was distributed over the phone, in person, and through the use of SurveyMonkey.

The second survey was administered to local residents. The Consumer surveys were circulated to randomly selected local residents of Thunder Bay in person and online through SurveyMonkey. The consumer survey consisted of 18 questions, 1 page double sided, which examined local consumer statistics, attitudes and beliefs. During a 4-week data collection period, the SBCS team was able to collect 308 consumer surveys and 22 small business surveys. Many respondents also provided additional opinionated feedback at the end of the surveys, and a random selection of these comments a provided in the report.

Secondary data collected is provided through local news articles and online American and Canadian scholarly resources, which have done pervious research regarding the economic impacts of Walmart in small communities. Data from Statistics Canada and historical local Yellow Pages within phonebooks dating from 1990 - 2000 were used for industry and local labour statistics within this report. In addition, various content from the Walmart Canada website was used within this report.

Part Two: Background and Prior Studies

2.0 Part Two: Background and Prior Studies

The first Walmart opened in July of 1962 with further expansion into the Canadian Market in 1994. Walmart has become the world's largest leading retailer, private employer, and corporation with over 9,600 stores worldwide (Hoovers, 2012).

Recently, Walmart announced that it will be launching two additional stores within Thunder Bay. The locations will cover each end of the city with placement in the Arthur Street Marketplace and the County Fair Mall. There is currently hiring expectations of 200 new associates to staff each of the new locations. Presently, the Walmart Supercenter located on Memorial Avenue employs approximately 500 people (City of Thunder Bay, May, 2012). This represents approximately 0.5% of the cities total population. There is no question that Walmart does provide local individuals with employment opportunities and customers with the opportunity to "save money" and "live better".

However, the opposition is prevalent in stating that the quality of these jobs is inferior with minimal benefits, if any. The average Walmart employee earns a gross income of approximately $14,500 with the option to buy into benefit plans after remaining an employee with the company for certain duration of time. A key concept that must be noted in regards to Walmart's operations is that the company is not in favour of unionization and deliberately puts fourth effort to ensure a union is not established (Adams, 2005). After reviewing several prior studies, the most significant issues and consistent concerns towards Walmart and the potential economic impacts caused are as follows: (a) Local Small Business, (b) Traffic Levels, (c) Pollution, (d) Property Taxes and Value, (e) Burden on Wages, (f) Employment Opportunities for Seniors, and (g) Rural Area Opportunities. The remainder of this section discusses each in further detail.

2.1 Local Small Businesses

This topic has been addressed in many reports on whether or not Walmart assists in creating and maintaining local small businesses or if it simply further deteriorates existing small businesses. It is expressed as a main concern that Walmart adversely affects small businesses, as they are unable to compete with the drastically low prices Walmart offers as well as their frequently promoted rollbacks on their products.

According to Beaver's Article "Battling Walmart: How communities can respond" (2005), residents are concerned that local businesses within their community will fail due to their inability to compete with Walmart's "everyday low prices" strategy. "Whenever a new Walmart opens, small businesses – from dress shop and pharmacies to hardware, auto supply and music stores – close their doors and good jobs disappear" (Hicks, 2009). General clothing stores, which compete directly with Walmart, decline by roughly 18% by the fifth year of Walmart opening its doors (Beaver, 2005). However, Beaver also noted that not all local or small businesses suffered hardship from a new Walmart location. In most cases those small businesses that differentiate themselves from Walmart are able to remain successful and open for business. Businesses that did not directly compete with Walmart, such as specialty stores, actually saw an increase in sales.

One positive story comes from North Bay, Ontario where an additional Walmart opened in a lifeless mall. Within a five-year period the area had shown significant development, which in turn attracted numerous other businesses, both big and small. Each individual community will have unique outcomes when multiple Walmarts enter, being both positive in ways that employment opportunities become available and the possibility of allowing more businesses to grow, and negative when small businesses sales decrease and precious jobs are lost.

When further examining the loss of sales, the loss of available jobs arises as well. It is suggested that Walmart provides a sense of comfort when opening as there are many new jobs, but each year this amount decreases providing less and less employment opportunities. In Beaver's article (2005) he discusses a study performed by Basker, who examined several counties for a 10-year period, five years before a Walmart location opened and five years after. His findings suggest that in the first year of a new Walmart location, 100 jobs are created. However by the fifth year of operations, that number decreases to 50, due to the jobs lost from local businesses closing or having to scale back their labour force as an expense saving technique.

Furthermore, Sobel and Dean's article "Has Walmart Buried Mom and Pop?: The Impact of Walmart on Self-Employment and Small Establishments in the United States"(2008), suggests that that the overall size of the small business sector is not affected by the opening of a Walmart. Sobel and Dean (2007) further discuss that some firms do fail when a Walmart opens, however new inferior firms, typically big box stores, arise and replace those firms lost.

In the case of Thunder Bay, when looking at the downtown areas of both Port Arthur and Fort William, this is not the case. Both areas have more closed stores than opened and these former down town areas are mere ghost towns of a once thriving business community. What will happen to those businesses that were able to survive this long when each area has their own Walmart?

2.2 Traffic Levels

It has been steadily raised as a concern that the amount of both pedestrian and vehicle traffic brought about in areas, following the opening of a Walmart store, is damaging to the area. Walmart increases the level of traffic in its surrounding area, causing highly congested areas that many of the surrounding residents are not in favour of. High traffic flows in and out of Walmart locations cause indirect problems to arise such as road repairs required and traffic lights needing replacement. In some cases, depending on a variety of factors such as the severity, Walmart has been recognized to assist with the road repairs that are required and typically pays for frequent traffic studies to be preformed. (Beaver, 2005)

In addition to physical damage to the roadways, the high levels of traffic, which on average consist of 12,000 vehicles per day, there has been an increase in the number of accidents and human injuries ultimately foreshadowing many Walmart locations to be dangerous. Walmart has attempted to minimize this problem by inserting numerous entrances to their locations and installing speed bumps. Furthermore, the traffic caused from Walmart entering quickly becomes magnified since many of the roads they are located on are not initially designed to accommodate the new levels of traffic. With the increased number of automobiles within a Walmart parking lot and the increased traffic within the area of the location, this could attribute to two types of pollution, both noise and air pollution.

When considering Thunder Bay's circumstances, the traffic effects may not be of concern. This is suggested as both locations of the coming Walmarts are already in place for such operations with both areas previously having heavy traffic activity.

2.3 Pollution

According to Beaver (2005), the second most often cited objection to new a Walmart location, occurring in 48% of accounts, is pollution; noise, air, water, and even light pollution. In this report we will discuss noise and light pollution. Noise pollution, according to dictionary.com, is unwanted or harmful noise, as from automobiles, airplanes, or industrial workplaces.

As mentioned in the traffic section of this report, there will be increased levels of automobiles within the area of the new locations, which in turn will increase the amount of noise and pollution within the area. According to dictionary.com, light pollution is unwanted or harmful light, as from bright streetlights or neon signs. Walmart parking lot lights remain on throughout the night, particularly at those stores open 24 hours a day, thus potentially becoming bothersome to those living within the area as well as disrupting the sleeping patterns of the local wildlife, birds, squirrels etc.

Walmart does, however, make efforts to remain green in regards to other forms pollution. According to Walmart's website, they have three broad environmental goals; to be supplied 100% by renewable energy, to create zero waste, and to sell products that sustain people and the environment (Walmart, 2012). Walmart has been recognized with numerous awards for their environmental efforts. Some of the current efforts from Walmart include; (1) Eliminate landfill waste generated by their U.S. operations by 2025, (2) Reduce packaging by 5% globally by 2013, (3) Reduce greenhouse gases at our existing store, club and distribution center base around the world by 20 % by 2012, (4) Eliminate 20 million metric tons of greenhouse gas (GHG) emissions from Walmart's global supply chain by the end of 2015, and to (5) Reduce their global plastic shopping bag waste by an average of 33% per store by 2013.

2.4 Property Taxes and Value

Throughout Canada, Walmart stores across the nation operate in buildings that have been purchased through a subsidiary company. The property is leased to the company who then make rent payments that become tax deductible towards the income of Walmart (Drucker, 2007).

Due to leasing the buildings as opposed to owning, Walmart is able to successfully avoid property taxes and use the rent paid to reduce their net income, thus reducing the amount of tax paid. In addition, the money put towards paying rent leaves the local community and is used elsewhere. Furthermore, due to the potential increase in pollution, traffic levels, and other negative impacts, property values within the areas are often compromised and overall result in a decrease in value.

2.5 Burden on Wages

When a Walmart opens, local wages and employment are adversely affected. This is particularity present in low skilled and retail jobs. Evidence suggests that employees at Walmart earn lower average wages and receive less generous benefits than workers employed by many other large-scale retailers (Dube, Lester, & Eidlin, 2007). Several literature reviews have been concluded to say that after the opening of a Walmart store many higher wage jobs are then replaced with ultimately lower paying jobs at Walmart. For the jobs that remain, wages are driven down, significantly in competing industries. It is evident from this alone that employment rates decrease and local wages are indeed affected by Walmart locations.

How will the City of Thunder Bay's local wages and employment end up following the entrance of two additional Walmarts? As a result, it can be anticipated that local competitors will feel it is essential to lower wages and reduce employee benefits in order to remain at a closer competing level with Walmart.

2.6 Employment Opportunities for Seniors

Walmart does provide job opportunities for individuals over the age of 65 and under educated individuals who otherwise may not be able to obtain employment, ultimately impacting the average wage of these workers positively. Walmart provides these individuals with the opportunity to contribute to society and allows them to be active in the community. This suggests that individuals, who may otherwise depend on government assistance or other means, can become self-sufficient and ultimately become more independent.

2.7 Rural Area Opportunities

According to Dube, Lester and Eidlin (2007), Walmart started and has its greatest presence in lower-wage and rural areas, which will account for some part of the wage differential. By operating in rural areas Walmart has less competition and is able to maintain wages and benefits at a considerably lower level than competitors. (Adams, 2005) Walmart has tried to subsidize the low wages by offering profit sharing and stock options to provide employees with the opportunity to increase their income depending on the success of the company. Sam Walton's goal by doing so was to capture employee's dependency and commitment to the company. He believed, "Individuals don't win, teams do."

Part Three: Economic Impacts of Consumer Spending

3.0 Part Three: Economic Impacts of Consumer Spending

This section of the report uses the data gathered from conducting a consumer survey in the local community and online through the use of SurveyMonkey in order to acquire valuable opinions and attitudes towards the entrance of two additional Walmart stores on each end of the city. Appendix A presents the full Consumer Survey that was distributed to residents of Thunder Bay.

Provided in the Respondent Profile section is general demographic results for the 308 survey respondents. The percentage results provided are from those individuals who responded to the specific questions, therefore excluding those who did not respond to the question properly or failed to respond at all.

Table 1 - Gender

Gender	Percentage
Male	46%
Female	54%

Table 2 - Age

Age	Percentage
18-29	40%
30-49	29%
50-64	24%
65+	7%

3.1 Walmart Consumer Statistics

The Walmart Consumer Statistics section is focused on understanding the current posture of consumers and their shopping habits in regards to Walmart. The results from respondents are provided in the following tables.

Table 3 - Do you like Walmart?

Do you like Walmart?	Percentage
Yes	45%
No	55%

Table 4 - How Often do you Shop at Walmart?

Shopping Frequency at Walmart	Percentage
Daily	0%
Weekly	18%
Twice a Month	12%
Monthly	42%
Never	28%

The results indicate that the majority of respondents shop at Walmart on a monthly basis with a 42% outcome. It is interesting to note that none of the respondents indicated that they shop at Walmart on a daily basis.

Table 5 - On Average, How much do you Spend per Visit?

Average Dollar Amount Spent Per Visit	Percentage
$0 - $25	34%
$26 - $50	31%
$51 - $100	28%
$101 - $200	6%
$201 - $500	1%
$501+	0%

Table 6 - What do you primarily purchase at Walmart? (Please indicate all that apply)

Primary Purchase at Walmart	Response Count	Percentage
Groceries	142	46%
Housewares	111	36%
Clothing	57	18.5%
Stationary	39	13%
Cosmetics	54	17.5%
Electronics	60	19%
Sporting Goods	28	9%
Automotive	22	7%
Seasonal	70	23%

Responses to this question are very adamant that individuals shopping at Walmart are primarily shopping for groceries and housewares. Both categories received significant response counts of 142 and 111 with percentages of 46% and 36% respectively. The categories to receive the lowest response count were Automotive and sporting goods with 22 and 28.

Table 7 - Please Rate the Importance of the Following for Shopping at Walmart.

Importance for Shopping at Walmart	Average Rating
Price	4.1
Quality	3.3
Service	2.9
Convenience	3.6
Location	3.2
Availability of Products	3.9

(1) Not important – (5) Very Important

The majority of respondents feel that the main response for shopping at Walmart is price with an average rating of 4.1 and a significant amount of respondents totaling 52% indicated it to be very important. When examining the importance of service, with an average rating of 2.9, it is evident that consumers are indifferent in regards to the service they receive when shopping at Walmart.

3.2 Local Business Consumer Statistics

The Local Business Consumer Statistics section focuses on understanding the current posture of consumers and their shopping habits in regards to local businesses. The results from respondents are provided in the following tables.

Table 8 - Do you shop at Local Retailers?

Shop Locally	Percentage
Yes	91%
No	9%

Table 9 - How Often do you shop at Local Businesses?

Shopping Frequency at Local Businesses	Percentage
Daily	12%
Weekly	46%
Twice a Month	11%
Monthly	29%
Never	2%

The results indicate that the majority of respondents shop at Local Businesses on a weekly basis with a 46% outcome which is significantly different from the highest respondent group of 42% who shop monthly at Walmart. In addition, 2% have revealed they never shop at local businesses verses the 28% who have stated they never shop at Walmart. Furthermore, it is important to recognize the 12% difference between daily shopping frequency at Local Businesses and Walmart.

Table 10 - On Average, How much do you Spend per Visit?

Average Dollar Amount Spent Per Visit	Percentage
$0 - $25	18%
$26 - $50	39%
$51 - $100	30%
$101 - $200	12%
$201 - $500	0.5%
$501+	0.5%

Table 11 - What do you primarily purchase at Local Businesses? (Please indicate all that apply)

Primary Purchase at Local Businesses	Response Count
Groceries	243
Housewares	98
Clothing	161
Stationary	54
Cosmetics	56
Electronics	81
Sporting Goods	65
Automotive	67
Seasonal	113

When examining the primary reasons for shopping at local businesses, a significant amount of respondents, 243, have indicated that groceries is a key-shopping category. Not far behind is clothing and seasonal goods with 161 and 113 respectively. It is evident that in regards to stationary and cosmetics, consumers look to shop otherwise of local businesses for these products.

Table 12 - Please rate the Importance of the Following for Shopping at Local Businesses.

Importance for Shopping Local	Average Rating
Price	3.8
Quality	4.5
Service	4.4
Convenience	3.9
Location	3.7
Availability of Products	4.2

(1) Not important – (5) Very Important

Quality and service dominate the importance of shopping locally in the eye of the consumer. It is interesting to note that none of the categories have fallen below 3.7 which implying that all of these areas are somewhat important to consumers when shopping at a local businesses.

3.3 Consumer Preferences

The Consumer Preferences section of this survey is presented in an effort to discover the shopping preferences of Thunder Bay consumers for popular retail shopping categories.

Table 13 - Please rate where you would shop for the Following items.

Preference for Shopping	Average Rating
Groceries	2.4
Electronics	2.7
Clothing	2.2
Automotive	2.1
Housewares	2.9
Health and Beauty	2.8

(1) Local Business – (5) Walmart

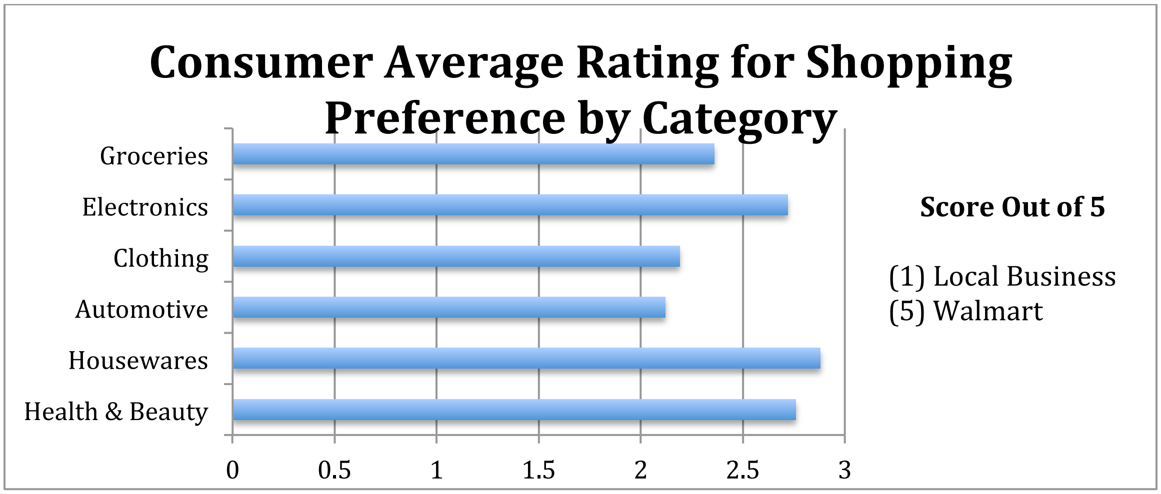

Figure 1 - Consumer Average Rating for Shopping Preference by Category

Out of all of the categories of products, it is significant that none of the average ratings indicate Walmart to be their preferred shopping outlet. It is also important to recognize that all of the ratings fall below three. In regard to groceries, clothing, and automotive, the majority of respondents choose to shop at local businesses over Walmart for these goods and services. However, electronics, housewares, and health and beauty products left the majority respondents feeling indifferent.

3.4 Consumer Attitudes and Opinions

The Consumer Attitudes and Opinions section of this survey is presented in an effort to gage the attitudes and opinions of Thunder Bay Consumers. More specifically, to capture the opinions towards the two addition Walmarts entering Thunder Bay and the feelings towards the potential economic impacts on The City of Thunder Bay.

Table 14 - Do you think Walmart and Target will Compete for Customers?

Walmart vs. Target Competition	Percentage
Yes	77%
No	23%

When asked the question, do you think Walmart and Target will compete for customers, 77% responded “yes”. When asked how, it became significantly noted that consumers felt this would happen due to price matters specifically, followed by the fact that they are both in the retail businesses seeking similar customers. Out of the 170 comments from those who answered, “yes”, reflecting how they felt the two would compete, 81 respondents mentioned prices. One respondent expressed, “Both are big box stores with many similar products at similar prices, competing for the same customer groups. Those who want their stuff cheap.”

Table 15 - Do you think Thunder Bay needs more Walmarts?

Thunder Bay Needs Additional Walmarts	Percentage
Yes	25%
No	75%

These results suggest that The City of Thunder Bay does not need two additional Walmart. Out of the respondents who indicated they liked Walmart, 50% felt there was no need for additional Walmarts.

Table 16 - Are you concerned that the new Walmarts will increase car Traffic Flow in Their Local areas?

Concerned about increase in Traffic	Percentage
Yes	34%
No	66%

It is suggested from the response percentages that Thunder Bay consumers are not concerned about the potential increase in traffic flow that may arise from the two additional Walmarts. This may be related to the fact that the locations are already arranged for this type of busy activity within the City.

Table 17 - Do you think Multiple Walmarts will have a Positive or Negative Economic Impact on Local Businesses?

Economic Impact on Thunder Bay	Percentage
Positive	25%
Negative	75%

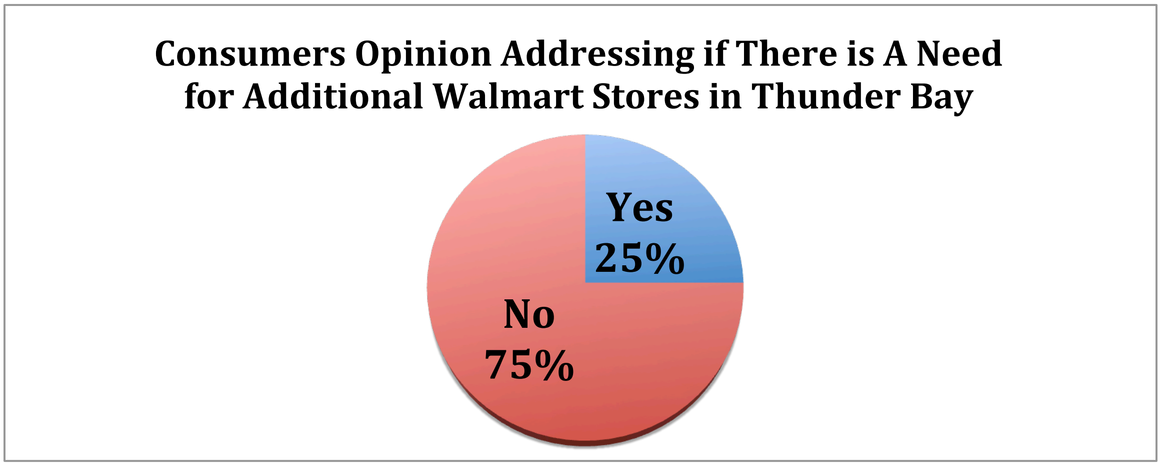

Figure 2 - Consumers Opinion Addressing if there is A Need for Additional Walmart Stores in Thunder Bay

An outstanding 76% of respondents feel as though multiple Walmart stores will have a negative economic impact on local businesses. One respondent commented further that, "Walmart is bad for the economy, the corporation strongly inhibits the ability for local businesses to grow and prosper." However, another respondent feeling positive about the additional Walmarts expressed that, "The two new Walmarts will be located at dilapidated malls (Arthur Street and County Fair) which house local businesses, more traffic at these locations mean economic gains for local businesses." A positive attribute towards Walmart that needs to be recognized is the cost savings that are available to consumers. Furthermore, it is interesting to recognize the article regarding this report on CBC News, which can be accessed online at http://www.cbc.ca/news/canada/thunder-bay/story/2012/08/22/tby-business-survey.html. Within the article they have included a poll themselves for readers to voice their opinion towards the questions, "Do you think Thunder Bay needs three Walmart stores?" The responses indicated very similar results to the data gathered from the survey results with 27% of respondents answering "yes" and 73% answering "no".

Table 18 - Are you more Inclined to Shop at Walmart if it was in your Local area?

More inclined to shop at Walmart due to Changed Proximity	Percentage
Yes	41%
No	59%

3.5 Selected Respondent Comments

“Thunder Bay needs to be proactive for once. The Council and city must pursue not just jobs for its citizens, but decent, well-paying employment. In so doing, the Council must carefully scrutinize business that may monopolize the commerce in the city and decline authorization when it is obvious, as in this case with Walmart that the intent is to dominate the market. The citizens of Thunder Bay do not need, nor will they benefit from, three Walmarts!”

“I like Walmart, its services and its products. They are doing good things in the community and providing much needed jobs, even though the salaries are not high, the right to work is there for any who wish to work. The are a good corporate citizen.”

“Three Walmarts is just ridiculous and harmful in too many ways to name. I hope people will support the local, owner operated businesses that actually care about them and support our local economy.”

“So disappointed that there are more Walmarts. Feel that the city has given up valuing our community, for small business and for shoppers.”

“I hope that this survey will open a challenge in the local policies about "growth in our thunder bay businesses." Right now, the city is going in the wrong direction.”

“If Walmart's arrival revitalizes that area, or at least cleans it up, I will consider them to have taken a step toward deserving my money.”

“I'd rather not shop at Walmart and I wish the public got a say in weather or not Thunder Bay needed more Walmart locations.”

“Walmart forces all retailers to get better - it is not my job to prop up small local business which cannot come up with a successful business model in the environment that exists today.”

Part Four: Economic Impacts on Local Business

4.0 Part Four: Economic Impacts on Local Business

This section of the report analyses the data gathered from the business surveys, which were administered online with the use of SurveyMonkey, over the phone interviews, and in person with local business owners within the Thunder Bay community. The objective of the surveys is to capture local business owners' sentiment towards two additional Walmart stores entering and the overall impacts they felt it would have on their business.

The percentage results that are provided are from those individuals who responded to the specific questions, therefore excluding those who did not respond to the question properly or failed to respond at all. Appendix B presents the Small Business Survey distributed in Thunder Bay. To begin the survey, respondents were first probed on whether or not they like Walmart.

Table 19 - Do you like Walmart?

Do you like Walmart?	Percentage
Yes	30%
No	70%

The local business owners were much more negative than the consumers with 70% of respondents saying they do not like Walmart.

4.1 Demographics of Local Businesses

The Demographics of Local Businesses section of this report focuses on determining a better understanding of the operations of the local business respondents, 22 in total. Respondents had types of businesses that were anywhere from specialty shops, local grocers, retail clothing stores, variety and convenience stores, in addition to a variety of other retail based stores.

The following tables represent the demographic results from the business survey respondents in the Thunder Bay area.

Table 20 - How many Employees do you have?

Average Number of Employees	11

Table 21 - On Average, how much do you pay your Employees an hour?

Average Wage of Employees (Per Hour)	$12.00

Table 22 - On Average, how much do your customers spend per visit?

Average Amount Spent by Customers (Per Visit)	$147.00

Table 23 - Do you Differentiate your Business from Walmart?

Differentiate from Walmart	Percentage
Yes	100%
No	0%

The results display that the average number of employees is 11 earning an average wage of $12.00 per hour, at local small businesses in Thunder Bay. In addition, consumers spend an average amount of $147.00 per visit at these businesses. One significant response from local business owners was that 100% of respondents expressed that yes; they do differentiate their business from Walmart.

4.2 Opinions Towards the Impact of Walmart on Local Businesses

The opinions towards the impact of Walmart on local small businesses section of this report focuses on the attitudes and opinions of local small business owners in regards to Walmart. The report also addresses the current and previous impact as well as the perceived further impact of the two additional Walmarts.

The tables below analyze the perceived impact of Walmart on local small businesses in Thunder Bay.

Table 24 - Do you feel that Walmart is, or has, Affected your Local Business

Current and Previous Impact of Walmart	Percentage
Yes	50%
No	50%

Table 25 - If you answered yes, please rate the Overall Impact?

Overall Impact	Percentage
Very Negative	46%
Negative	27%
Neutral	27%
Positive	0%
Very Positive	0%

The average rating of respondents was 1.82, 1 being very negative, and 5 being very positive. This suggests that local small businesses are suffering a negative impact from the current Walmart in Thunder Bay. It's important to note that none of the respondents rated the current Walmart as having a positive impact.

Table 26 –The new/additional Walmarts, opening this Fall, will have the Following Impact?

Perceived Additional Impact	Percentage
Very Negative	36%
Negative	14%
Neutral	41%
Positive	4.5%
Very Positive	4.5%

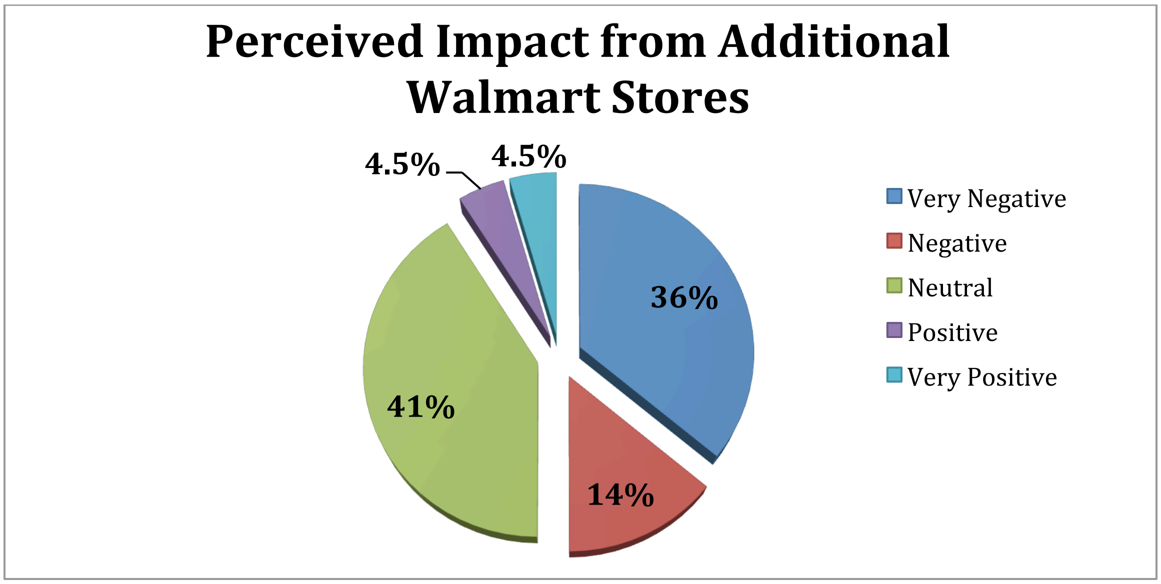

Figure 3 - Perceived Impact from Additional Walmart Stores

The average rating of respondents was 2.27, 1 being very negative, and 5 being very positive. This suggests that although the current Walmart negatively affects local small businesses, they feel indifferent and neutral to any impact arising from the new and additional Walmart stores entering Thunder Bay in 2012. However, only 9% of respondents feel there will be a positive impact, and 50% towards a negative impact. This outweighs the 41% feeling indifferent, further suggesting that the majority of local businesses feeling adamant about the current negative impact only to get worse.

Table 27 - Please rank the following factors of competing against Walmart in terms of their overall impact on your Business from 1 to 5.

Factors of Competing	Average Rating
Price Competition	2.48
Labour Costs/Availability	2.86
Sales Volume	2.52
Foot Traffic	2.62
Other:	0.00

(1) Most Impacted – (5) Least Impacted

Table 28 - Are you concerned about a possible price war between Walmart and Target?

Walmart vs. Target Competition	Percentage
Yes	27%
No	73%

The results from this select question are relatively the same as to the response from consumers. It appears that neither local business owners nor consumers within Thunder Bay are posing a great concern in regards to Walmart and Target in the Thunder Bay market together.

4.3 Selected Respondent Comments

"When Walmart opened, they had the lowest prices for the first six months to damage local businesses. Then after they jacked the prices back up. Thunder Bay used to have the highest amount of independent grocers in Canada, but the three already competing grocers (Metro, Safeway, and Superstore) had its effect. Now Walmart will cause more decreases."

"The City of Thunder Bay should have thought about the little guys paying taxes. How fair is that. WE need to think twice before allowing big stores to enter Thunder Bay. Small Business money stays in Thunder Bay, their money does not."

"I don't think I can survive with Walmart around. With the new Walmarts and Target coming, I might as well shut the doors now. Mom and Pa stores don't stand a chance, it's really sad."

"I don't agree with Walmart, I see a lot of businesses suffering"

"Two big places, both wanting people and slashing prices, hurt the little guys who can't afford to do it."

4.4 Pre and Post Walmart Entrance in Thunder Bay

The first Walmart store opened in Thunder Bay In 1995. In order estimate of the number of small businesses pre- and post Walmart's entrance into Thunder Bay, we examined the number of businesses listed in the local Yellow Pages from 1990 to 2000.

It is important to highlight the main limitation of this methodology. It is possible that some small businesses either did not list with Yellow Pages due to cost or other reasons, and it is possible that small businesses delisted with the Yellow Pages in the late 1990s due to the proliferation of the internet as an advertising medium. Regardless of this limitation, it is expected that this methodology will provide a reasonable time-series estimate of the number of local small businesses pre- and post Walmart's entrance into the Thunder Bay market. In addition, this methodology has been used extensively in prior Walmart studies (e.g., Job Creation or Destruction? Labour-Market Effects of Walmart Expansion, (Basker, 2004)).

In 1990, Thunder Bay had 631 local small retail businesses, 483 various retail stores and 148 "specialty retail stores" (Appendix C). These Local Small Businesses were followed from 1990 up to the year 2000. Retail stores included stores such as; groceries, variety & convenience, clothing, furniture, electronics, automotive, sporting goods, and housewares. Specialty stores include stores such as; pet foods and supplies and specific selections stores (i.e., golfing equipment, lingerie, and florists).

Figure 4 below represent the historical trend of these local retail stores in Thunder Bay for both the pre and post of Walmart's initial entrance. Prior to Walmart's opening in 1995, the data collected suggests that retail stores were already on the decline, averaging a 1.4% decrease over the five-year period (1990 to 1995). However, Specialty stores, for the same five-year period, were on the rise, averaging a growth rate of 1.11 %. Combined, Thunder Bay was already seeing an overall decline in local business, with an average of 0.8% decrease for this time period (Appendix C).

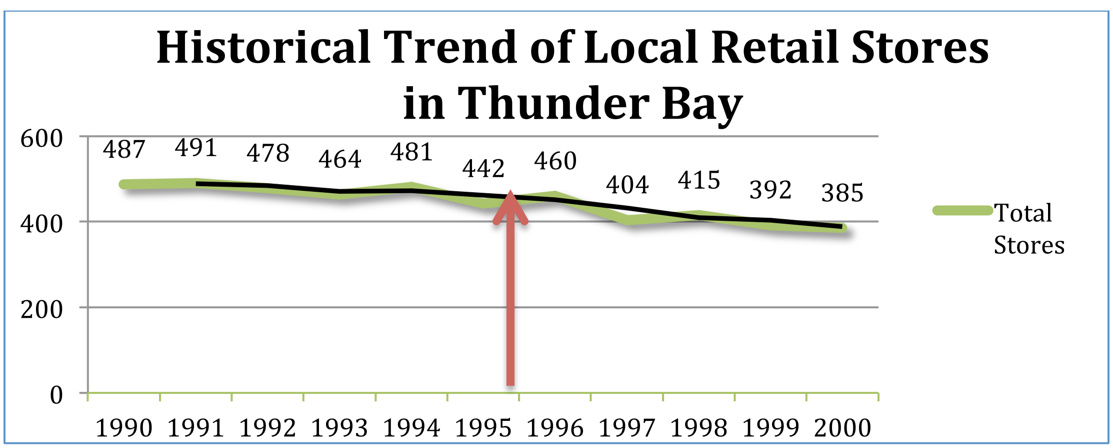

Figure 4 - Historical Trend of Local Retail Stores in Thunder Bay

Note: Figure does not include retailers of interest (Variety stores, Grocery stores, Convenience stores, and Garden Centers) as they are examined in further detail below.

In 1995, following the year that Walmart opened, reveals some interesting facts. Specifically, the year 1995, which demonstrates the largest decrease in retail stores for the ten-year period (Please see Figure 4), a 9.07% decrease, and specialty stores also had a large decrease that year with a 5.99% decrease. Overall, in 1995, Thunder Bay saw an 8.28% decrease in local retailers (Appendix C).

During the first five years that Walmart was in operation, Thunder Bay's retailers declined; basic retail stores declined with an average of 3.51 %, and specialty retail stores declined 3.06 %. 1997 was the year that saw the greatest change for specialty retail stores, which saw a decline of 11.83 %. Retail stores also suffered with a decrease of 8.72% (Appendix C).

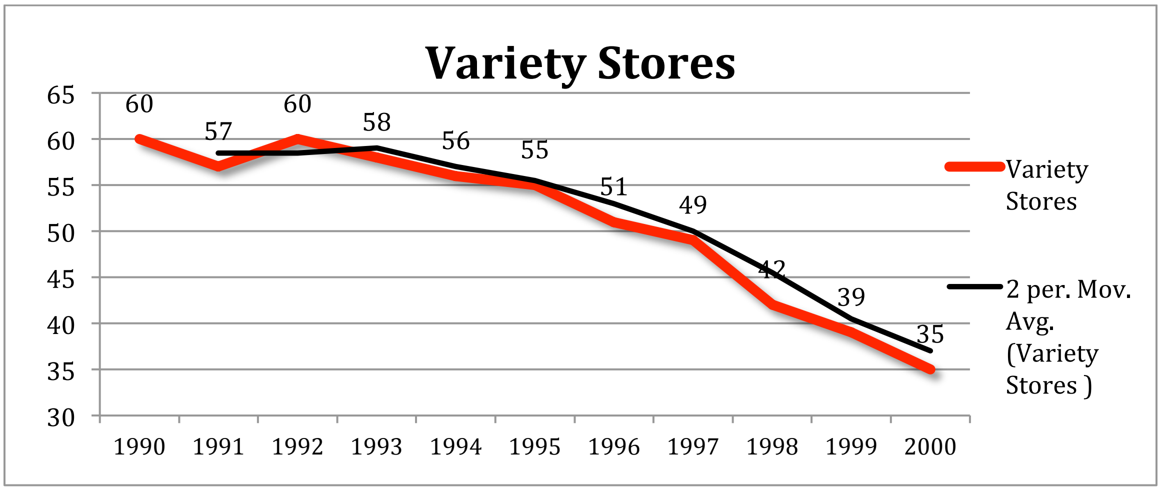

Figure 5 - Variety Stores

Variety stores and grocery stores, although already on the decline before Walmart entered the market, saw the greatest decline of all retail stores, as seen in Figure 5 and Figure 6. More significantly with Variety Stores in particular with a decrease of 30 stores from the time of Walmart's entrance in 1995 to 2000 (Please see Figure 5). This is importance to notice as prior to Walmart entering the Thunder Bay economy, although on a decline, Variety Stores only lost five stores from the period of 1990 to 1995. This represents 20 stores less than 1995 to 2000 following the initial entrance of Walmart (See Figure 5). This could be attributed to both types of stores offering the same product selection as Walmart and other big chain grocery stores.

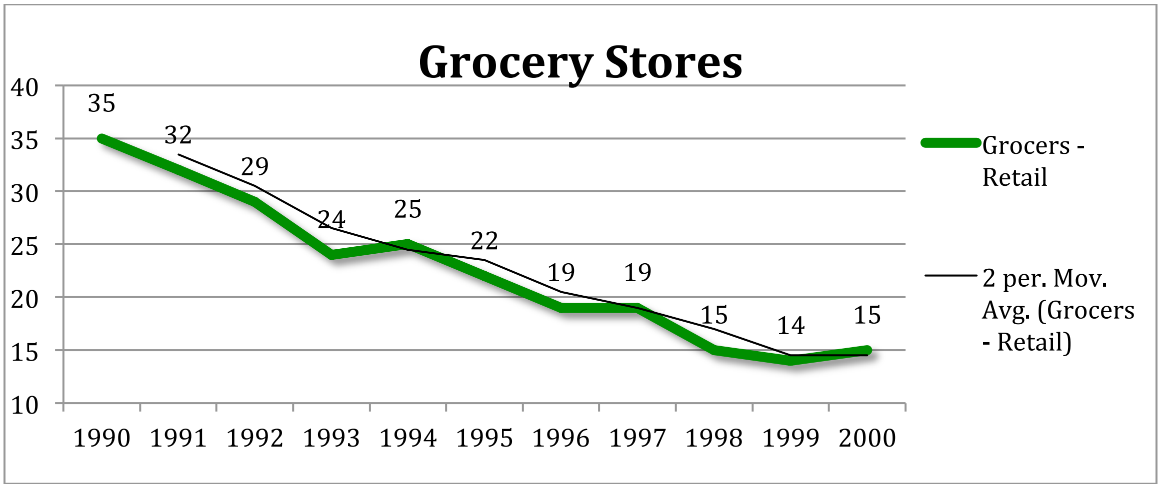

Figure 6 - Grocery Stores

In regards to Garden Centers, it is evident that they were indeed on the rise prior to Walmart initially opening in 1995, with a large increase in stores just a year prior to 1995. In 1998, Garden Centers experienced the highest number of stores with 13 stores listed in the Yellow Pages that year. By the year 2000, garden centers appeared to level off with 10 stores listed, as seen in Figure 7.

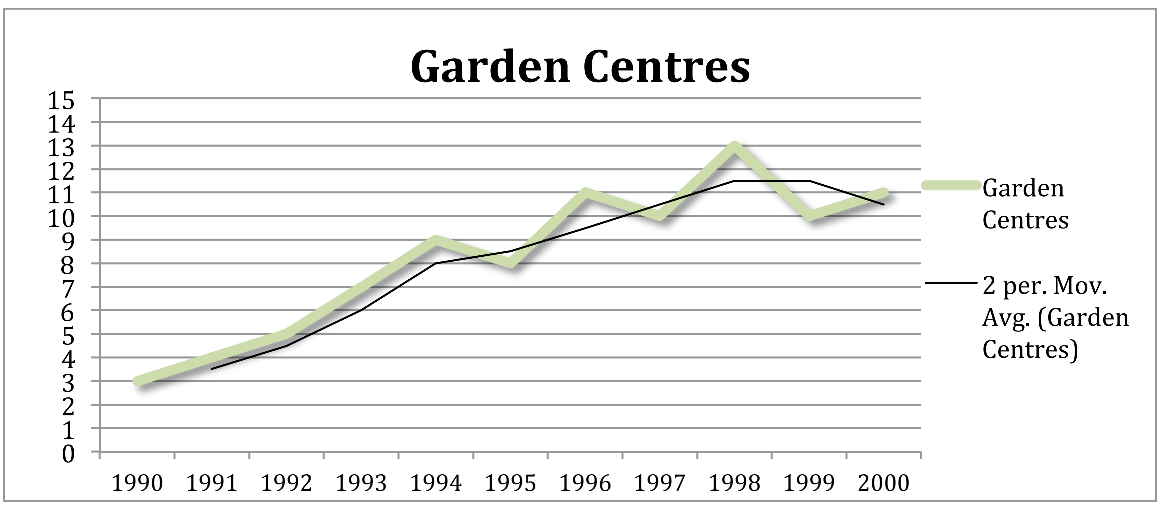

Figure 7 - Garden Centers

The data collected and analyzed strongly suggests that Walmart's entrance into the Thunder Bay market has contributed to the decline of local small businesses during the specific time period analyzed within this section of the report.

4.5 Economic Impact of Big Box Retailers and Local Small Businesses

This section of the report focuses on employment within the retail sector of Thunder Bay, examining both big box retailers and local small businesses. In Basker's (2004) article "Job Creation or Destruction?" he states, "Walmart entry increases retail employment by 100 jobs in the year of entry. Half of this gain disappears over the next five years as other retail establishments exit and contract, leaving a long run statistically significant net gain of 50 jobs." Using this same methodology and applying it to the Thunder Bay circumstances, the following estimated figures are suggested results as of 2012 from the entrance of the first Walmart in Thunder Bay.

The following table displays an estimated net loss of dollars per hour and the net loss of jobs for a five-year period following the initial entry of Walmart in 1995. The data used for local small businesses can be found in Appendix C.

Table 29 - Suggested Net Loss of Initial Walmart Entry in Thunder Bay

Year	Walmart	Local Small Business
1995	1 Location	598 Locations
Number of Jobs	500	6,578 (598*11)
Average Wage	$10.40	$12.00
Total Wages (Per 1 Hr.)	$5,200.00	$78,936
2000		
Number of Jobs	500	5,786 (526*11)
Average Wage	$10.40	$12.00
Total Wages (Per 1 Hr.)	$5,200.00	$69,432
Loss of Dollars Per Hr.		**$9,504**
Loss of Jobs		**792**
Net Loss of Dollars Per Hr.		**$4,304**
Net Loss of Jobs		**292**

Found in Appendix C, there were 598 local small businesses in Thunder Bay in the year 1995 when Walmart first entered the City of Thunder Bay. After analyzing the average number of employees found in Table 20, the results determined local small businesses to have an average of 11 employees. When multiplying the number of locations (598) by the average number of employees (11), the number of jobs is then computed to be 6,578. When examining the same information for the year 2000, the number of local small businesses decreased by 76 (see Appendix C) resulting in 526 local small businesses remaining. When proceeding with the same methodology mentioned above, this results in a net loss of 292 local small business jobs over a five-year period in which Walmart entered Thunder Bay. Furthermore, the initial entrance of Walmart into Thunder Bay in 1995, tracing the data until 2000, suggests a significant net loss of dollars per hour and jobs. Over a five-year period it is displayed that $9,504 were lost along side with 792 local small business jobs, for a net loss of $4,304 per hour and 292 jobs.

Overall, these results are critical as a lower percentage of sales are then being circulated back into the Thunder Bay economy. Civic Economics (2012), states that national chains such as Walmart recirculate revenue locally by 13.6%, where local small businesses recirculate revenue locally by 52%. It is suggested that the two additional Walmarts entering Thunder Bay will have an even more detrimental effect on the economy. In addition, it is important to note that these results do not reflect the impact of the current Walmart as a Supercenter, but as an elementary Walmart for the years 1995 – 2000.

Part 5: Economic Impacts of Labour Markets

5.0 Part 5: Economic Impacts of Labour Markets

This section of the report estimates the number of jobs created and lost due to the two additional Walmart stores opening in Thunder Bay. Furthermore, an estimate of the payroll expense Walmart will incur will be analyzed in a monthly, and annual time frame. Finally, the benefits employees are offered will be discussed.

5.1 Number of Jobs Created and Loss

As of June 2012, The City of Thunder Bay's website states that Thunder Bay's total population was 102,800. Of the total population, Thunder Bay has a labour force of 64,500 people that are available to work for various industry sectors, and only 30,800 people of the total labour force have jobs in the city. Thunder Bay's unemployment rate is 5.7% and has 3,700 people who are currently unemployed (City of Thunder Bay, August, 2012).

Previously, when Walmart opened its doors to residents in 1995, it created an estimate of 500 direct jobs as of 2012 in Thunder Bay's economy (City of Thunder Bay, May, 2012). Even though jobs were created as a result of Walmart's entrance into the Thunder Bay economy, jobs were still lost. With the data collected from the local Yellow Pages listings from 1990 to 2000, the number of local small businesses has been analyzed to estimate their increase and decreases on a year-to-year basis. The results suggested that 792 jobs in the local small business sector were lost after the first five years of Walmart entrance (see Table 29).

In a 2011 press release Walmart stated, "Price audits show shoppers save more than 11% on a basket of everyday goods when they shop at a Walmart Canada store, compared to the market"(Walmart Canada, 2011). In 2011, Walmart Canada announced that it is cutting down more then 100,000 prices for their products, and it is estimated to save its consumers $55 million that year. If this trend continues, it is suggested with the use of past data that local small businesses will be affected once again, when these two new stores open this fall.

The number of people unemployed will increase once Zellers is no longer in operation in Thunder Bay, resulting in a potential loss of 390 jobs (City of Thunder Bay, May, 2012). Of the potential 390 jobs lost, it is suggested that Walmart will recover some of them. Alex Roberton, a spokesman for Walmart Canada said in the Canadian Press Business News section that the retail giant is, "Looking to hear from former Zellers employees", and those who apply will be interviewed (Howe, G., 2012). Walmart Canada's Senior Vice-President, Eric Muir, stated, "We have already hired many pharmacy associates that previously worked for Zellers and are looking to fill additional positions." (Howe, 2012)

Currently Walmart Canada is setting up 47 hiring centers across the nation and has already hired 900 employees, with plans to hire an additional 3,100 across the country by January 2013, equaling a total of 4,000 employees, 500 more then previously announced (Howe, 2012). Of the 4,000 employees, Walmart Canada plans to hire 200 associates specifically for the new locations at Arthur St Market Place and County Fair Mall. It is expected that there will be between 1,500 – 8,000 applications per each new store (Walmart Canada, August, 2012).

By the end of January 2013, Walmart is expecting to have a total of 94,000 employees across Canada. In addition to the full-time and part-time jobs being created by Walmart, the company's $750 million expansion project will create an estimated 10,500 construction jobs across Canada to help build, expand, remodel, and/or relocating existing stores (Howe, 2012). In a recent press release by Walmart Canada, it states that the latest Newmarket Walmart, a former Zellers, took only 65 days to remodel and open (Samuel, S., 2012), employing 69 actual associates (Walmart Canada, August, 2012). This suggests that Thunder Bay residents can expect to see the new Walmart stores open their doors to the public somewhere around 65 days after the construction and/or renovation projects have began for each store. Furthermore, according to Walmart's own job posting page (2012), the big box retailer is hiring its own temporary set-up crew to remodel the former Zellers stores. Using the data from the August 24 Walmart press release and the Tbaynewswatch article, we can assume that of the 200 positions Walmart is hiring for in Thunder Bay, most of them will be associates for each store, while the remaining small portion of positions will be temporary.

5.2 Estimate of Payroll Spent per Month

Currently, Walmart's first Thunder Bay location has an estimated payroll per month of $612,849.44 and an annual payroll of $7,354,193.28 (see Appendix D). With hiring 200 additional staff members for its new locations, Walmart's estimated payroll would rise $220,731.20 a month for both new stores, equaling a total of $833,580.64 spent per month to compensate its employees for all three retail stores (see Appendix D) Annually, Walmart will spend $10,002,967.68 on its payroll for all three stores (see Appendix D). Optimistically, employees will redistribute their income received from Walmart back into Thunder Bay's local business economy.

Table 30 - Estimated Payroll for Walmart

Estimated Payroll for Walmart		
	Monthly	Annual
Currents Walmart	$612,849.44	$7,354,193.28
Two Addition Walmart Stores	$220,731.20	$2,648,774.40
Total Annual Payroll estimate	$833,580.64	$10,002,967.68

This estimate is based on 500 current employees at Walmart in Thunder Bay (City of Thunder Bay, May, 2012), and assuming that the retail giant is planning on hiring 200 more additional staff members for the two new stores opening in Thunder Bay (Tbaynewswatch, June, 2012). It is also suggested that each Walmart store employs one store manager, one shift manager, one assistant manager, and a district manager for the region (Walmart Canada, 2012). On the Walmart job posting site it states, "Assistant managers will be responsible for managing up to eight departments within the store" (Walmart Canada, 2012). The rest of the positions included are floor associates, retail salespersons, sales clerks, cashiers, and retail trade supervisors. The average hourly wage for current retail salespersons, sales clerks, and cashiers, including retail trade supervisors in Ontario is $15.82 (Statistics Canada, 2012). Management figures were also obtained from Statistics Canada (2012), Field and Store Managers were listed to earning an average of $48.00/hr and Assistant and Shift Managers earning an average of $38.70/hr in Ontario. Newly hired retail salespersons, sales clerks, cashiers, and supervisors at Walmart would earn an average of $10.40. This information was obtained from a representative at the existing Walmart in Thunder Bay. This estimate also assumes that on average, full-time employees work an average of 35 hours a week, and part-time employees work an average of 25 hours a week. It is also assumed that on average Walmart employs 80% part-time and 20% full-time associates per store. Currently, there are no laws to regulate the ratio of full-time to part-time employees in Ontario.

5.3 Benefits

After communicating with a representative from Thunder Bay's current Walmart, benefits are only available to full-time employees that have been working for Walmart for at least one year. All employees receive a 10% discount on their purchases from Walmart, excluding clearance items. Employee Health & Well-Being Benefits include: (a) dental insurance, (b) free confidential counseling and health information service, (c) quit tobacco program, (d) company-paid life insurance for associates, (e) maternity program, (f) accidental death and dismemberment insurance, (g) critical illness insurance, (h) accident insurance, (i) short and long term disability insurance, (j) associate eyewear program (Walmart Canada, 2012).

Furthermore, full-time associates that have been working at Walmart longer than one year, are allowed to use an annual vacation allowance of two weeks. In addition to the vacation allowance, full-time associates get one paid personal Day off. Walmart also provides subsidies for tuition, if the courses are related to the job. Not only does this create opportunities for associates to further develop their education and seek promotions, but also provide those employees who cannot afford an education an opportunity to advance as well. Walmart also provides employees on maternity leave, supplemental income above the EI entitlement they receive. This supplemental income is provided for up to 6 weeks and can be compensated up to 100% of an employees regular pay (Eluta.ca, 2012).

Part Six: Conclusion

6.0 Part Six: Conclusion

Walmart's future presence in Thunder Bay will bring a range of feedback from the community. County Fair Mall could prosper when Walmart opens, as retailers may want to locate there due to increased foot traffic .

Furthermore, many residents should not be concerned about traffic that would be generated by the two new Walmart locations as they are planned for areas that previously already generated heavy traffic activity. A total of 66 % of consumer survey respondents answered no when asked if they were concerned about increased traffic flow arising in the proposed new Walmart areas. It is suggested that this is directly related to the fact that these locations are already established for such operations. We recommend the City work with Walmart to ensure that traffic flows remain controlled and safe for the citizens of Thunder Bay. We suggest the areas be closely monitored in regards to traffic flow and ensure that road conditions are addressed.

Key highlights identified as a result of this report are that a total of 75 % of consumer survey respondents feel that Thunder Bay does not need additional Walmart stores. A CBC online pole also demonstrated near identical results, with 73 % of respondents answering no to the question, "Do you think Thunder Bay needs 3 Walmart stores?" Furthermore, historical trends have indicated that there has been a 1.53 % decline in local small businesses the following year after the first Walmart opened in 1995 and a 3.47 % decline in 2000. In addition, a total of 50 % of the business survey respondents have indicated Walmart is affecting their business, of those respondents 73 % believe the overall impact is negative. Though it will create 200 jobs, more may be eliminated with a net loss of jobs equaling 292 (See Table 29). Not taking into account the potential jobs lost due to the closure of the three Zellers locations. Currently Walmart has an estimated payroll is $7,354,193.28 and is expected to rise to $10,002,967.68 (See Table 30) when the two new locations open their doors.

All things considered, data suggests that Walmart does have a negative impact on local small business and recirculation of money in the local economy. However, it is suggested that Walmart does provide opportunities to low-income families, under educated individuals who may otherwise been unable to obtain employment, and provides a larger selection of products at lower prices to Thunder Bay residents.

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Appendix A

Lakehead University SBCS Small Business Consulting Services

Small Business Consulting Services

Consumer Survey

1. Sex

- ☐ Male
- ☐ Female

2. Age:

- ☐ 18 - 29
- ☐ 30 - 49
- ☐ 50 – 64
- ☐ 65+

3. Do you like Walmart?

- ☐ Yes
- ☐ No

4. Do you shop at local retailers?

- ☐ Yes
- ☐ No

5. How often do you shop at Walmart?

- ☐ Daily
- ☐ Weekly
- ☐ Twice a Week
- ☐ Monthly
- ☐ Never

6. On Average, how much do you spend per visit?

- ☐ $0 - $25
- ☐ $26 - $50
- ☐ $51 - $100
- ☐ $101 - $200
- ☐ $201 - $500
- ☐ $501+

7. What do you primarily purchase at Walmart?

(Please check all that apply)

- ☐ Groceries
- ☐ Housewares
- ☐ Clothing
- ☐ Stationary
- ☐ Cosmetics
- ☐ Electronics
- ☐ Sporting goods
- ☐ Automotive
- ☐ Seasonal

8. Please rate the importance of the following for shopping at Walmart

	Not Important		Indifferent		Very Important
Price	1	2	3	4	5
Quality	1	2	3	4	5
Service	1	2	3	4	5
Convenience	1	2	3	4	5
Location	1	2	3	4	5
Availability of Products	1	2	3	4	5

9. How often do you shop at a local business?

- ☐ Daily
- ☐ Weekly
- ☐ Twice a Week
- ☐ Monthly
- ☐ Never

10. On Average, how much do you spend per visit?

- ☐ $0 - $25
- ☐ $26 - $50
- ☐ $51 - $100
- ☐ $101 - $200
- ☐ $201 - $500
- ☐ $501+

11. What do you primarily purchase at a local business?

(Please check all that apply)

- ☐ Groceries
- ☐ Housewares
- ☐ Clothing
- ☐ Stationary
- ☐ Cosmetics
- ☐ Electronics
- ☐ Sporting goods
- ☐ Automotive
- ☐ Seasonal

12. Please rate the importance of the following for shopping at a local business

	Not Important		Indifferent		Very Important
Price	1	2	3	4	5
Quality	1	2	3	4	5
Service	1	2	3	4	5
Convenience	1	2	3	4	5
Location	1	2	3	4	5
Availability of Products	1	2	3	4	5

13. Please rate where you would shop for the following items

	Local Business		Indifferent		Walmart
Groceries	1	2	3	4	5
Electronics	1	2	3	4	5
Clothing	1	2	3	4	5
Automotive	1	2	3	4	5
Housewares	1	2	3	4	5
Health and Beauty	1	2	3	4	5

14. Do you think Walmart and Target will compete for customers?

☐ Yes, how?____.

☐ No

15. Do you think Thunder Bay needs more Walmarts?

☐ Yes

☐ No

16. Are you concerned that the new Walmarts will increase car traffic flow in their local areas?

☐ Yes,

☐ No

17. Do you think multiple Walmarts will have a positive or negative economic impact on local businesses?

☐ Positive

☐ Negative

Please explain: ____

18. Are you more inclined to shop at Walmart if it was in your local area?

☐ Yes

☐ No

Please explain: ____

Additional Comments (more space provide on reverse):

Appendix B

Lakehead University SBCS Small Business Consulting Services

Small Business Consulting Services

Business Survey

1. Do you like Walmart?
   - ☐ Yes
   - ☐ No

2. What type of business do you have?

   ______________________________.

3. How many employees do you have?

   ______________________________.

4. On average, how much do you pay your employees an hour?

   ______________________________.

5. Do you differentiate your business from Walmart?
   - ☐ Yes, How?______________________________.
   - ☐ No

6. Do you feel that Walmart is, or has, affected your local business?
   - ☐ Yes.
   - ☐ No, Please skip to question 8.

Please explain: ______________________________

7. If you answered yes to question 5, please rate the impact?

Very Negative	Negative	Neutral	Positive	Very Positive
1	2	3	4	5

8. The new/additional Walmarts, opening this summer, will have the following impact?

Very Negative	Negative	Neutral	Positive	Very Positive
1	2	3	4	5

9. Please rank the following factors of competing against Walmart in terms of their overall impact on your business from 1 to 5 (1 to 5, 1 being the most impact, 5 being the least impact).

_____ Price Competition

_____ Labour Costs/Availability

_____ Sales Volume

_____ Foot Traffic

_____ Other: ______________________________

10. Are you concerned about a possible price war between Walmart and Target?
    - ☐ Yes,
    - ☐ No.

Please explain: ______________________________

(Continued on reverse)

11. On average, how much do your customers spend per visit?
____.

Additional Comments

Thank you for your participation!

Appendix C

Local Small Retailers Listed Table A											
Retail Stores Listed	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Baby & Infant Appareal	0	0	0	0	0	3	3	2	2	3	0
Bakers	22	23	26	23	21	22	21	18	21	20	19
Batteries Strorage	0	2	2	2	5	2	3	3	3	3	3
Beverage Dealers	1	1	1	1	1	1	1	0	0	0	0
Blinds	11	11	10	11	11	13	14	12	13	11	11
Book Dealers	14	14	16	13	17	4	19	21	21	16	15
Bulk Food	1	1	1	2	2	1	2	3	2	2	2
Buthchers	16	14	13	12	12	11	10	10	11	12	11
Candy & Confectionary	10	8	8	8	8	4	6	5	6	5	4
Children & infants	7	9	10	10	7	6	8	7	7	7	8
Chinaware	7	6	5	5	3	3	3	3	2	3	2
Cosmetics & Perfumes	13	12	11	16	14	13	12	9	6	4	5
Dairy Products	1	2	2	1	2	2	2	1	1	0	0
Dolls	3	3	4	3	3	3	2	0	0	0	0
Electircal Equipment & Supplies	2	2	2	2	3	3	0	2	1	0	0
Fabric Shops	5	5	3	3	5	4	5	6	5	4	3
Fish & Seafood	4	4	2	2	3	2	3	2	3	3	3
Florists	13	24	25	22	18	16	19	22	18	26	26
Flowers and Plants Artificial	5	5	4	5	4	5	3	3	4	5	4
Frozen Foods	1	4	2	1	1	1	2	2	1	2	3
Fruits & vegtables	9	9	6	6	6	7	8	6	4	4	3
Fur Business	2	2	2	2	2	1	1	1	1	1	1
Fur Cleaning & Dyeing	2	2	1	1	1	0	1	1	1	1	1
Furniture Dealers	19	22	21	18	22	21	20	16	16	16	19
Gas Burners	1	2	2	1	1	1	1	1	1	0	0
Golf Equipment & Supplies	3	3	4	5	5	7	6	6	5	5	3
Greeting Cards	2	2	2	2	2	2	1	1	1	0	0
Handbags	2	3	2	2	2	2	1	2	2	2	1
Hardware	7	7	7	8	6	8	7	7	8	8	7
Health Foods	8	9	12	14	13	12	13	7	10	12	12
Hobby & Model Construction Supplies	7	6	6	5	5	6	4	3	4	4	2
Housewares	1	1	2	1	1	2	1	3	2	5	4
Ice Cream & Frozen Desserts	2	4	3	4	4	5	3	4	4	5	5
Jeans	0	0	0	1	1	1	3	1	1	1	1
Jewellers	23	23	23	25	24	24	22	16	18	16	17
Table A Totals	224	245	240	237	235	218	230	206	205	206	195

Local Small Retailers Listed Table B											
Retail Stores Listed	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Leather	7	6	5	6	4	3	3	4	8	3	2
Lighting Fixtures	6	6	6	6	7	3	5	5	4	4	4
Lingerie	3	4	3	3	3	4	3	5	3	3	3
Luggage	3	3	3	3	1	2	2	1	1	0	0
Mens Apparel	18	17	17	13	12	12	9	10	11	11	12
Mirrors	7	7	7	6	5	6	6	6	6	7	7
Novelties	1	1	2	1	1	0	1	0	0	1	1
Office Furn. & Equip	10	12	10	3	12	5	12	11	12	11	10
Paint	12	10	8	12	13	16	11	10	10	10	9
Patio Furniture	7	6	5	1	1	1	2	1	0	0	0
Pet Foods & Supplies	17	17	18	21	20	19	18	13	11	8	10
Photo Equip/Supplies	4	3	2	1	4	2	4	4	4	1	4
Pictures	2	1	2	2	1	2	2	1	0	0	0
Plumbing	5	7	7	7	6	7	6	3	4	3	4
Records/Tapes	4	3	3	5	5	8	9	8	8	8	8
Sheepskin Specialties	1	1	1	1	1	1	1	1	2	2	2
Shoes	13	13	13	10	12	12	13	11	12	8	11
Skiing Equipment	5	6	6	5	6	5	5	4	3	4	3
Sporting Goods	27	26	25	26	28	27	26	26	25	26	25
Sportswear	19	13	13	13	16	19	16	10	13	15	10
Stationary	6	6	5	4	5	2	4	1	3	3	4
Tire Dealers	24	21	20	22	18	13	13	16	18	16	17
Toys	6	4	3	2	4	4	4	1	4	4	2
Trophies	7	8	10	11	11	6	11	13	11	9	9
Tshirts	4	5	6	4	5	6	4	4	3	1	1
Video Games	1	1	2	3	5	5	4	3	2	1	2
Womans Apparel	34	32	29	27	33	27	31	20	27	20	26
Yarn	8	5	5	7	5	5	3	4	3	5	2
Table B Totals	261	244	236	225	244	222	228	196	208	184	188
Table A Totals	224	245	240	237	235	218	230	206	205	206	195
Total Stores	485	489	476	462	479	440	458	402	413	390	383

Changes in Local Retailers (Excluding Businesses of interest)											
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Retail Stores	485	489	476	462	479	440	458	402	413	390	383
Change	0%	0.82%	(2.66%)	(2.94%)	3.68%	(8.14%)	4.09%	(12.23%)	2.74%	(5.57%)	(1.79%)
Avg. Change	(1.54%)						(3.48%)				

Local Businesses of Interest											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Convenience Stores	16	23	19	27	28	26	21	27	28	26	28
Garden Centers	3	4	5	7	9	8	11	10	13	10	11
Gift Shops	30	57	55	57	53	45	54	48	40	46	52
Grocers	35	32	29	24	25	22	19	19	15	14	15
Variety Stores	60	57	60	58	56	55	51	49	42	39	35

Specialty Local Small Retailers											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Baby & Infant Appareal	0	0	0	0	0	3	3	2	2	3	0
Batteries Strorage	0	2	2	2	5	2	3	3	3	3	3
Beverage Dealers	1	1	1	1	1	1	1	0	0	0	0
Blinds	11	11	10	11	11	13	14	12	13	11	11
Chinaware	7	6	5	5	3	3	3	3	2	3	2
Dolls	3	3	4	3	3	3	2	0	0	0	0
Florists	13	24	25	22	18	16	19	22	18	26	26
Fur Business	2	2	2	2	2	1	1	1	1	1	1
Fur Cleaning & Dyeing	2	2	1	1	1	0	1	1	1	1	1
Garden Centres	3	4	5	7	9	8	11	10	13	10	11
Gas Burners	1	2	2	1	1	1	1	1	1	0	0
Handbags	2	3	2	2	2	2	1	2	2	2	1
Health Foods	8	9	12	14	13	12	13	7	10	12	12
Hobby & Model Construction Supplies	7	6	6	5	5	6	4	3	4	4	2
Jeans	0	0	0	1	1	1	3	1	1	1	1
Lamps & Lamp Shades	2	2	2	2	2	2	2	2	2	2	2
Leather	7	6	5	6	4	3	3	4	8	3	2
Lingerie	3	4	3	3	3	4	3	5	3	3	3
Luggage	3	3	3	3	1	2	2	1	1	0	0
Mirrors	7	7	7	6	5	6	6	6	6	7	7
Novelties	1	1	2	1	1	0	1	0	0	1	1
Photo Equip/Supplies	4	3	2	1	4	2	4	4	4	1	4
Sheepskin Specialties	1	1	1	1	1	1	1	1	2	2	2
Skiing Equipment	5	6	6	5	6	5	5	4	3	4	3
Trophies	7	8	10	11	11	6	11	13	11	9	9
Fabric Shops	5	5	3	3	5	4	5	6	5	4	3
Pet Foods & Supplies	17	17	18	21	20	19	18	13	11	8	10
Golf Equipment & Supplies	3	3	4	5	5	7	6	6	5	5	3
Jewellers	23	23	23	25	24	24	22	16	18	16	17

General Retail Stores											
General Stores	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Bakers-Retail	22	23	26	23	21	22	21	18	21	20	19
Book Dealers	14	14	16	13	17	4	19	21	21	16	15
Bulk Food	1	1	1	2	2	1	2	3	2	2	2
Buthchers	16	14	13	12	12	11	10	10	11	12	11
Candy & Confectionary	10	8	8	8	8	4	6	5	6	5	4
Children & infants	7	9	10	10	7	6	8	7	7	7	8
Convinience Stores	16	23	19	27	28	26	21	27	28	26	28
Cosmetics & Perfumes	13	12	11	16	14	13	12	9	6	4	5
Dairy Products	1	2	2	1	2	2	2	1	1	0	0
Electircal Equip. & Supplies	2	2	2	2	3	3	0	2	1	0	0
Fish & Seafood	4	4	2	2	3	2	3	2	3	3	3
Flowers and Plants Artificial	5	5	4	5	4	5	3	3	4	5	4
Frozen Foods	1	4	2	1	1	1	2	2	1	2	3
Fruits & vegtables	9	9	6	6	6	7	8	6	4	4	3
Furniture Dealers	19	22	21	18	22	21	20	16	16	16	19
Gift Shops	30	57	55	57	53	45	54	48	40	46	52
Greeting Cards	2	2	2	2	2	2	1	1	1	0	0
Grocers	35	32	29	24	25	22	19	19	15	14	15
Hardware	7	7	7	8	6	8	7	7	8	8	7
Housewares	1	1	2	1	1	2	1	3	2	5	4
Ice Cream & Frozen Desserts	2	4	3	4	4	5	3	4	4	5	5
Lighting Fixtures	6	6	6	6	7	3	5	5	4	4	4
Mens Apparel	18	17	17	13	12	12	9	10	11	11	12
Office Furn. & Equip	10	12	10	3	12	5	12	11	12	11	10
Paint	12	10	8	12	13	16	11	10	10	10	9
Patio Furniture	7	6	5	1	1	1	2	1	0	0	0
Pictures	2	1	2	2	1	2	2	1	0	0	0
Plumbing	5	7	7	7	6	7	6	3	4	3	4
Records/Tapes	4	3	3	5	5	8	9	8	8	8	8
Shoes	13	13	13	10	12	12	13	11	12	8	11
Sporting Goods	27	26	25	26	28	27	26	26	25	26	25
Sportswear	19	13	13	13	16	19	16	10	13	15	10
Stationary	6	6	5	4	5	2	4	1	3	3	4
Tire Dealers	24	21	20	22	18	13	13	16	18	16	17
toys	6	4	3	2	4	4	4	1	4	4	2
Tshirts	4	5	6	4	5	6	4	4	3	1	1
Variety Stores	60	57	60	58	56	55	51	49	42	39	35
Video Games	1	1	2	3	5	5	4	3	2	1	2
Womans Apparel	34	32	29	27	33	27	31	20	27	20	26
Yarn	8	5	5	7	5	5	3	4	3	5	2

Changes In General Retail Stores											
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Totals	483	500	480	467	485	441	447	408	403	385	389
Change	0%	3.52%	(4.00%)	(2.71%)	3.85%	(9.07%)	1.36%	(8.72%)	(1.23%)	(4.47%)	1.04%
Average			(1.40%)						(3.51%)		

Change in Specialty Local Small Businesses											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTALS	148	164	166	170	167	157	169	149	150	142	137
Change	0	10.81%	1.22%	2.41%	(1.76%)	(5.99%)	7.64%	(11.83%)	0.67%	(5.33%)	(3.52%)
Average			(0.80%)						(3.41%)		