

CITY OF
BRANTFORD

**RETAIL MARKET
ASSESSMENT**



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RETAIL MARKET ASSESSMENT



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INTRODUCTION

The City of Brantford is currently undertaking the development of a 7-year Economic Development Strategy, led by the City's Economic Development, Tourism & Cultural Initiatives Department. In doing so, the City aims to continue building on its existing assets ultimately becoming a fully integrated community of choice for residents, businesses, students and visitors by emphasizing the high quality of life found in the city.

As part of this Strategy development process, a Retail Market Analysis is being completed. This Retail Market Analysis is structured to best understand the strengths and weaknesses of the local retail sector. To do so, the report is broken into four distinct sections.

The first section profiles Brantford's *retail trade* sector from a supply-side angle, assessing total jobs, levels of concentration relative to provincial and national benchmarks, industry outputs and business counts. Further calculations including shift share analysis, which measures the local impact on job growth/decline are also included to provide an understanding of local impacts on the retail sector.

The second section focuses on the demand-side, assessing Brantford's demographic (population, income) statistics with a focus on how these figures impact the *retail trade* sector. From there, an analysis of spending patterns and the demographic profiles of Brantford's residents is presented, again with a distinct focus on how this impacts the *retail trade* sector.

The third section provides a brief review and analysis of trends within the retail sector that allows for an evaluation of what impact new technologies might have on traditional brick-and-mortar retailers. Specifically, an assessment of how retailers across Canada are merging traditional experiences with new experiential retail opportunities is presented to identify ways in which Brantford retailers can continue to successfully operate.

Finally, the fourth section relies on national-level industry data and future projections to provide a comprehensive assessment of Brantford's retail future. Using a broad lens, the section identifies key demand factors for the sector alongside an assessment of the supply chain and key purchasing sectors. Although individual retailers and local sectors will invariably face unique situations, having a broad understanding of the factors and determinants that help shape *retail trade* will help stakeholders better adapt to shifting trends.

1. RETAIL TRADE SECTOR: BRANTFORD

In profiling the *retail trade* sector in Brantford, this section has been broken down into three parts. First, the data related to the job counts in the broad retail sector as well as various retail subsectors is presented. Next, information on past, current and projected future job counts, as well as location quotient to present these counts in context with provincial and national figures, is provided. Also, shift-share analysis is used to estimate the impact of the local business climate on future job projections.

Next is the transition to business counts, measuring the total number of businesses by retail subsector and number of employees, before using a market threshold analysis to estimate which retail business subsectors might have room for business growth locally. Finally, using sales, wages and export data the overall size of the outputs of Brantford's retail subsectors is assessed.

1.1. Retail Jobs in Brantford

Retailers in Brantford employed approximately 5,631 people in 2022, making it the third-largest industry in Brantford, behind manufacturing and health care and social assistance. Between 2022 and 2027 *retail trade* is projected to see job growth of 55 positions, making it the sixth fastest-growing industry in terms of total projected job growth.

The industry shrunk between 2017 and 2022 by 145 jobs, with 2022 totals below 2012 figures (Table 1). However, this is to be expected given the impact COVID-19 has had on the retail sector.

Table 1: Retail Trade Jobs, 2012-2027, Brantford

Year	Jobs	Increase
2012	5,640	--
2017	5,776	136
2022	5,631	-145
2027	5,687	56

Source: EMSI Analyst 2022.3.

We are further able to break the retail sector into subsectors to measure job counts. To that end, Table 2 presents job counts for all *retail trade* subsectors employing at least 50 individuals in 2022 in Brantford. As can be seen in Table 2, grocery stores employ the most individuals within the *retail trade* sector, representing over 1,000 (1,173 total) local jobs.

Projecting job growth into the medium-term, grocery stores are still projected to be the largest subsector in 2027, offering 1,180 jobs locally. From 2012 to 2027 the subsector with the largest total job growth projected is “specialty food stores”, which has already risen by 227 jobs since 2012 and is projected to see another 15 individuals employed by 2027.

In terms of largest relative growth, direct selling establishments are projected to grow 288% from 2012 to 2027, rising steadily from 14 local positions in 2012 to 56 in 2027.

Table 2: Jobs per Retail Trade Subsector, 2012, 2022 and 2027

Description	2012 Jobs	2022 Jobs	2027 Jobs	2012 - 2027 Change	2012 - 2027 % Change
Grocery stores	1,246	1,173	1,180	-65	-5%
Health and personal care stores	656	633	639	-18	-3%
Building material and supplies dealers	375	535	573	198	53%
Specialty food stores	202	429	444	242	120%
Other general merchandise stores	323	417	438	115	36%
Department stores	635	362	376	-259	-41%
Automobile dealers	328	343	291	-36	-11%
Clothing stores	432	323	309	-123	-29%
Other miscellaneous store retailers	163	271	313	150	92%
Sporting goods, hobby and musical instrument stores	147	168	176	29	20%
Home furnishings stores	79	133	137	58	74%
Electronics and appliance stores	256	119	108	-148	-58%
Beer, wine and liquor stores	140	116	101	-39	-28%
Gasoline stations	123	115	108	-16	-13%
Furniture stores	67	94	100	32	48%
Automotive parts, accessories and tire stores	66	84	85	19	28%
Used merchandise stores	70	75	78	8	11%
Office supplies, stationery and gift stores	69	75	72	3	4%
Direct selling establishments	14	52	56	42	288%

Source: EMSI Analyst 2022.3.

1.1.1. Location Quotient

While gross job count data tells a story about the size of local industry, it does not place the sector within a relative scope. To measure the size of the industry relative to a benchmark region, we can turn to location quotient data. Location quotient is used to measure the relative concentration of an occupation; that is, it compares the percentage of jobs per occupation in the labour shed relative to the total percentage of jobs in the same occupation in Ontario and Canada. A location quotient of two means the labour recruiting area employs twice as many jobs in that occupation than is typical in the nation. Such a high concentration shows that there is some momentum in growing or attracting these jobs that is unique to the region.

Table 3 illustrates the relative concentration of *retail trade* subsectors within Brantford, relative to Ontario and the rest of Canada. Industries are considered to be concentrated if they have a location quotient greater than 1.25.

As can be seen, the three most heavily concentrated industries relative to provincial totals are:

- *Specialty food stores* (2.45 times more concentrated locally than provincially).
- *Building material and supplies dealers* (1.56 times more concentrated).
- *Home furnishing stores* (1.51 times more concentrated).

Relative to national totals, the three most heavily concentrated industries are:

- *Specialty food stores* (2.59 times more concentrated locally than nationally).
- *Home furnishing stores* (1.53 times more concentrated).
- *Building material and supplies dealers* (1.43 times more concentrated).



Table 3: Brantford Location Quotient Data, 2022

Industry	2022 Jobs	Provincial LQ	National LQ
Specialty food stores	429	2.45	2.59
Home furnishings stores	133	1.51	1.53
Building material and supplies dealers	535	1.56	1.43
Other miscellaneous store retailers	271	1.43	1.41
Office supplies, stationery and gift stores	75	1.38	1.26
Used merchandise stores	75	1.12	1.23
Health and personal care stores	633	1.20	1.18
Department stores	362	1.01	1.16
Electronics and appliance stores	119	1.12	1.13
Florists	17	1.04	1.07
Other general merchandise stores	417	1.01	1.04
Grocery stores	1,173	1.15	1.02
Sporting goods, hobby and musical instrument stores	168	1.11	0.91
Beer, wine and liquor stores	116	1.03	0.89
Furniture stores	94	0.87	0.87
Automobile dealers	343	0.92	0.86
Direct selling establishments	52	0.89	0.83
Automotive parts, accessories and tire stores	84	1.14	0.79
Clothing stores	323	0.75	0.76
Jewellery, luggage and leather goods stores	26	0.66	0.67
Book stores and news dealers	19	0.70	0.61
Gasoline stations	115	0.89	0.52
Shoe stores	24	0.35	0.39
Other motor vehicle dealers	21	0.49	0.33
Lawn and garden equipment and supplies stores	<10	N/A	0.17
Total	5,631	1.10	1.04

Source: EMSI Analyst 2022.3.

1.1.2. Shift-Share Analysis

The retail sector shift-share analysis compares the projected local employment growth/decline of retail jobs in Brantford from 2012 to 2027 to the projected employment growth/decline of that industry within Canada, as well as the job growth overall for Canada. This tool can project the expected change in jobs based on non-regional factors and compare it to the actual projected change to present a competitive effect impact that isolates the impact of the local business/retail ecosystem. More specifically, this analytical tool examines job growth/decline by attributing growth, stability, or decline in industries over time to three forces:

- National economic growth: regional job growth/decline that is attributable to the growth, stability or decline of the entire Canadian economy. Industries will be impacted positively or negatively by the state of the Canadian economy and consumer spending at a national level, external to any local factors.
- Industry growth: regional job growth/decline that is attributable to the growth, stability or decline of that particular economic activity in the Canadian economy (with the economic growth component removed). General industry trends are outside the influence of local actors and are therefore removed from the local impact.
- Local economic growth: local job growth/decline that is attributable to the local economy because it is growing/declining more or less quickly than jobs in the larger economy (with the Canadian economic and industry growth components removed).

This tool, when correctly interpreted, provides greater descriptive power than the location quotient method. It has been applied to North American Industry Classification Systems (NAICS) industries using place of work statistics. Shift-share analysis allows the examination of changes through time (trends) versus the static snapshot of location quotients.

Table 4 illustrates that, based on non-regional factors, the expected increase in jobs in Brantford's retail sector from 2012 to 2027 would be 502. Instead, the projected actual increase is 46 jobs, suggesting that there will be 456 fewer positions of employment in *retail trade* locally than expected.

Regarding positive local competitive effects, the impact is largest for the specialty food stores subsector. Though this subsector is projected to grow by 52 jobs due to non-regional factors, its projected actual increase is instead 242 jobs, suggesting the local competitive effect will support 190 additional jobs.

Table 4: Shift-Share Analysis, Brantford, 2012-2027

Description	2012 Jobs	2027 Jobs	Expected Change	Projected Actual Change	Competitive Effect
Grocery stores	202	444	52	242	190
Health and personal care stores	375	573	50	198	148
Building material and supplies dealers	79	137	2	58	56
Gasoline stations	67	100	0	32	32
Specialty food stores	14	56	12	42	30
Automotive parts, accessories and tire stores	69	72	-27	3	30
Automobile dealers	<10	22	1	17	16
Other general merchandise stores	147	176	19	29	10
Other miscellaneous store retailers	66	85	13	19	6
Electronic shopping and mail-order houses	<10	<10	1	4	3
Other motor vehicle dealers	323	438	114	115	2
Sporting goods, hobby and musical instrument stores	23	19	-1	-4	-3
Direct selling establishments	31	18	-4	-13	-8
Clothing stores	70	78	20	8	-12
Home furnishings stores	61	22	-24	-39	-15
Book stores and news dealers	256	108	-133	-148	-16
Lawn and garden equipment and supplies stores	123	108	3	-16	-18
Electronics and appliance stores	163	313	188	150	-38
Shoe stores	97	16	-23	-81	-58
Beer, wine and liquor stores	328	291	28	-36	-64
Department stores	140	101	31	-39	-70
Florists	432	309	-38	-123	-85
Office supplies, stationery and gift stores	1,246	1,180	58	-65	-123
Furniture stores	635	376	-115	-259	-144
Jewellery, luggage and leather goods stores	29	0	117	-29	-146
Used merchandise stores	656	639	162	-18	-179
Total	5,640	5,687	502	46	-456

Source: EMSI Analyst 2022.3.

1.1.3. Staffing Patterns

Using staffing patterns, we can assess the occupations most frequently employed by *retail trade* businesses. Four occupations (*retail salespersons, cashiers, retail sales supervisors and store shelf stockers, clerks and order fillers*) each independently account for over 10% of jobs within the sector (Table 5). Together, these four sectors represent 58% of all jobs in the retail sector. Of the 11 “concentrated” occupations within the retail sector (those representing over 1% of jobs in the sector), six are projected to decrease in positions from 2012-2027, while five are projected to grow.

- *Retail sales supervisor* positions are expected to see the largest total and relative growth, increasing from 383 jobs in 2012 to 707 jobs in 2027 (324 additional jobs, a growth of 85%).
- *Retail salespersons* are projected to see the largest decrease in total jobs, decreasing from 1,436 positions in 2012 to 1,317 in 2027 (-119 jobs).

Table 5: Staffing Patterns for Occupations with Over 1% of Total Jobs in Retail Sector

Occupation	2012 Jobs	2022 Jobs	2027 Jobs	2012-2027 Change	2012-2027 % Change	% of Total Jobs in Retail Sector
Retail salespersons	1,436	1,315	1,317	-119	-8%	23%
Cashiers	790	667	682	-108	-14%	12%
Retail sales supervisors	383	665	707	324	85%	12%
Store shelf stockers, clerks and order fillers	471	595	610	139	29%	11%
Retail and wholesale trade managers	516	357	356	-159	-31%	6%
Other medical technologists and technicians (except dental health)	102	132	140	38	37%	2%
Material handlers	111	130	138	27	24%	2%
Shippers and receivers	128	113	114	-15	-12%	2%
Automotive service technicians, truck and bus mechanics and mechanical repairers	96	104	94	-2	-2%	2%
Other customer and information services representatives	98	104	106	8	9%	2%
Butchers, meat cutters and fishmongers - retail and wholesale	157	66	49	-107	-69%	1%

Source: EMSI Analyst 2022.3.

1.2. Business Counts

Another measure of the retail sector's impact on the community is the number of businesses within the sector. In June 2022 in Brantford, there were 597 businesses in the *retail trade* sector. Of these businesses, 239 have unknown employment totals (which typically suggests an individual with no employees), while the majority of the rest (224 of 358 businesses, 62.4%) are small businesses with 1-9 employees (Table 6).

Table 6: Retail Business Counts by Number of Employees, June 2022

Business Size	Retail Businesses by Size
1-9 Employees	224
10-49 Employees	100
50-99 Employees	24
100+	11
Indeterminate (self-employed)	239
Total	597

Source: Canadian Business Counts June 2022.

Breaking down this information further (Table 7), we can assess the number of retail businesses in Brantford by six-digit NAICS. The largest six-digit subsector in terms of the number of businesses is *convenience stores*, with 53 businesses, 36 of which have employees. The other 17 businesses are defined as having an indeterminate number of employees, suggesting a self-employed individual.



Table 7: Top Sectors by Business Counts, Retail Subsectors, June 2022

Business Size	1-9 Employees	10-49 Employees	50-99 Employees	100+	Indeterminate	Total
Convenience stores	33	2	0	0	18	53
Other direct selling establishments	1	1	0	0	32	34
Supermarkets and other grocery stores	4	4	7	5	12	32
Pharmacies and drug stores	17	6	3	0	5	31
All other miscellaneous store retailers (except beer and wine-making supplies stores)	11	2	1	1	15	30
Miscellaneous general merchandise stores	9	11	1	0	8	29
Used car dealers	7	0	0	0	12	19
Electronic shopping and mail-order houses	1	0	0	0	17	18
Other gasoline stations	3	0	0	0	14	17
Automotive parts and accessories stores	7	5	0	0	4	16

Source: Canadian Business Counts June 2022.

1.2.1. Market Threshold Analysis

The Market Threshold Analysis uncovers what sorts of additional retail stores the area might be able to support, based on the provincial threshold and considering the local size of the area population. The theoretical capacity of the community is calculated by dividing the community's population by the number of people per business type in Ontario.

The theoretical capacity for retail businesses in Brantford is:

$$= \frac{\text{Total population in the community}}{(\text{Total number of Ontario businesses in industry X} \div \text{Total population in Ontario})}$$

The City of Toronto represents a concentration of businesses and people unlike any other place in Ontario. For the theoretical threshold analysis, the City of Toronto businesses and population were subtracted from the Ontario figures to avoid inflating the threshold capacity of the rural area in question. Table 8 evaluates the threshold capacity for retail industries (NAICS 44-45) in Brantford. Note that negative figures represent the magnitude of the potential gap in the number of businesses.

Our threshold analysis calculations suggest that a significant number of retail subsectors have room to grow in terms of store capacity within Brantford. In terms of the sector with the most

immediate per capita growth potential, there are seven fewer local *pharmacies and drug stores* than the population estimates suggest Brantford could hold. It should be noted that this does not suggest Brantford needs seven *pharmacies and drug stores*, merely that the area could theoretically, based on per capita provincial data, sustain seven *pharmacies and drug stores* where there are currently none.

Considerations must be accounted for including similar stores in surrounding areas as well as specific shopping habits of local residents. This should be seen as a suggestive analysis, not actionable directives.

Table 8: Threshold Analysis for Retail Subsectors, Brantford, 2022

Description	Ontario minus Greater Toronto Area		Brantford		
	Number of Businesses	People per businesses	Theoretical Capacity	Current Total	Gap
Pharmacies and drug stores	2,884	2,781	38	31	-7
Electronic shopping and mail-order houses	1,855	4,324	24	18	-6
Motorcycle, boat and other motor vehicle dealers	515	15,576	7	3	-4
Other building material dealers	731	10,974	10	6	-4
Nursery stores and garden centres	487	16,472	6	3	-3
All other sporting goods stores	593	13,527	8	5	-3
Art dealers	214	37,485	3	0	-3
All other health and personal care stores	1,268	6,326	17	14	-3
All other specialty food stores	956	8,391	12	10	-3
Pet and pet supplies stores	652	12,303	9	6	-3
Florists	574	13,975	7	5	-3
All other miscellaneous store retailers (except beer and wine-making supplies stores)	2,464	3,256	32	30	-2
Food (health) supplement stores	480	16,712	6	4	-2
Recreational vehicle dealers	247	32,477	3	1	-2
Hardware stores	394	20,360	5	3	-2
Vending machine operators	163	49,213	2	0	-2
Shoe stores	532	15,078	7	5	-2
Beer, wine and liquor stores	898	8,933	12	10	-2
Other gasoline stations	1,422	5,641	19	17	-2
Meat markets	352	22,789	5	3	-2

Source: Statistics Canada 2021 Census and Canadian Business Counts June 2022.

1.3. Industry Outputs

This subsection highlights industries with the largest economic impact in Brantford. We can measure that through three separate measures – sales, wages and exports. The first two measurements assess the direct impacts in the community, while exports reflect sales made outside the region that generate subsequent local economic activity.

Table 9 presents sales and wage data for all retail subsectors in Brantford. As can be seen, total sales within the sector total nearly \$400 million and total wages for all employees within the sector total approximately \$150 million (\$147.8 million).

Table 9: Sales and Wages for Retail Subsectors, 2020¹

Industry	Sales	Total Wages
Grocery stores	\$61,306,237	\$24,971,863
Health and personal care stores	\$54,601,146	\$18,476,123
Automobile dealers	\$45,744,987	\$20,224,164
Building material and supplies dealers	\$45,214,438	\$16,993,426
Clothing stores	\$21,361,732	\$6,349,925
Specialty food stores	\$20,281,686	\$8,261,337
Department stores	\$17,995,583	\$7,085,651
Other general merchandise stores	\$17,764,074	\$6,994,496
Electronics and appliance stores	\$14,272,193	\$5,632,497
Gasoline stations	\$13,561,534	\$3,201,786
Other miscellaneous store retailers	\$13,021,151	\$4,024,946
Direct selling establishments	\$10,916,506	\$2,798,738
Home furnishings stores	\$10,808,244	\$3,489,333
Sporting goods, hobby and musical instrument stores	\$10,244,302	\$3,834,100
Beer, wine and liquor stores	\$10,083,179	\$4,107,180
Furniture stores	\$8,262,703	\$2,667,531
Automotive parts, accessories and tire stores	\$6,844,774	\$3,026,120
Used merchandise stores	\$4,936,883	\$1,526,031
Office supplies, stationery and gift stores	\$4,647,026	\$1,436,434
Jewellery, luggage and leather goods stores	\$2,361,075	\$701,846
Shoe stores	\$1,694,626	\$503,739
Other motor vehicle dealers	\$1,494,712	\$660,822
Florists	\$1,367,585	\$422,732
Book stores and news dealers	\$805,592	\$301,506
Lawn and garden equipment and supplies stores	\$398,465	\$149,759
Total	\$399,990,432	\$147,842,087

Source: EMSI Analyst 2022.3.

¹ Please note 2020 is the most recent data available for this information.

The structural realities of local brick-and-mortar retailers mean that the majority of retail sales are made locally. At the same time, we are still able to measure export totals by industry subsector. In terms of export sales, the retail sector in Brantford in 2020 was responsible for values of \$123.8 million, which accounted for 31.0% of total industry sales (Table 10).

Table 10: Export Values for Retail Subsectors, 2020

Industry	Exports	Percentage of Total Sales
Specialty food stores	\$11,500,396	56.7%
Building material and supplies dealers	\$18,127,729	40.1%
Automobile dealers	\$16,629,169	36.4%
Automotive parts, accessories and tire stores	\$2,438,042	35.6%
Other motor vehicle dealers	\$516,158	34.5%
Electronics and appliance stores	\$4,254,071	29.8%
Home furnishings stores	\$3,146,649	29.1%
Health and personal care stores	\$15,314,861	28.0%
Gasoline stations	\$3,706,793	27.3%
Department stores	\$4,897,642	27.2%
Direct selling establishments	\$2,963,975	27.2%
Florists	\$363,787	26.6%
Used merchandise stores	\$1,309,769	26.5%
Lawn and garden equipment and supplies stores	\$105,250	26.4%
Other general merchandise stores	\$4,673,229	26.3%
Office supplies, stationery and gift stores	\$1,205,285	25.9%
Other miscellaneous store retailers	\$3,371,718	25.9%
Beer, wine and liquor stores	\$2,609,402	25.9%
Grocery stores	\$15,828,373	25.8%
Sporting goods, hobby and musical instrument stores	\$2,589,267	25.3%
Furniture stores	\$2,055,338	24.9%
Book stores and news dealers	\$198,157	24.6%
Jewellery, luggage and leather goods stores	\$557,333	23.6%
Clothing stores	\$5,021,426	23.5%
Shoe stores	\$393,499	23.2%
Total	\$123,777,317	30.9%

Source: EMSI Analyst 2022.3.

2. DEMOGRAPHICS IN BRANTFORD

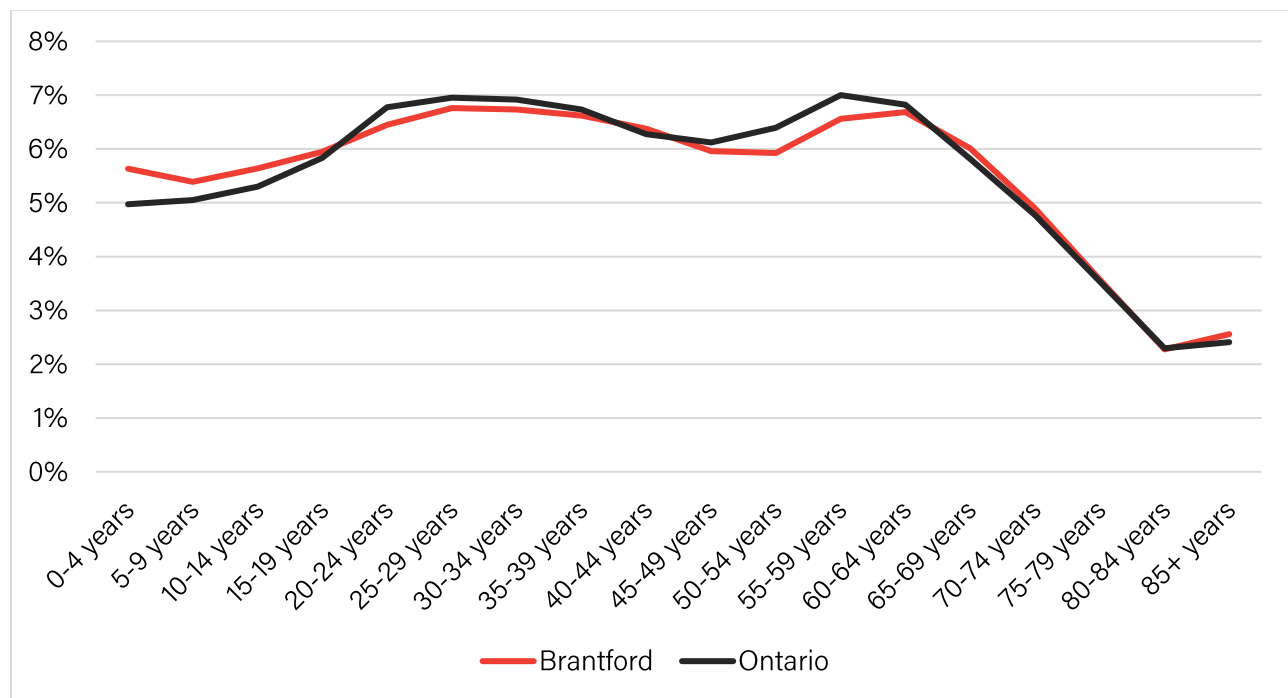
This section breaks down sociodemographic details of the residents of Brantford with a specific eye on how those demographic details impact the *retail trade* sector. It begins with an income and employment profile for Brantford residents, outlining income, spending and employment data. It then presents CanaCode demographic cluster data that profiles various sociodemographic groupings of Brantford households. Finally, we break down average spending data by household to profile the typical spending habits of Brantford residents.

2.1. Population, Income and Employment

2.1.1. Population

The City of Brantford is home to 110,096 residents in 2022 and is projected to rise to 121,484 by 2032.² Brantford has a slightly larger percentage of youth (0-14) compared to Ontario, with a correspondingly smaller number of individuals approaching retirement (45-64).

Figure 1: Percent Population by Age, Brantford and Ontario, 2022



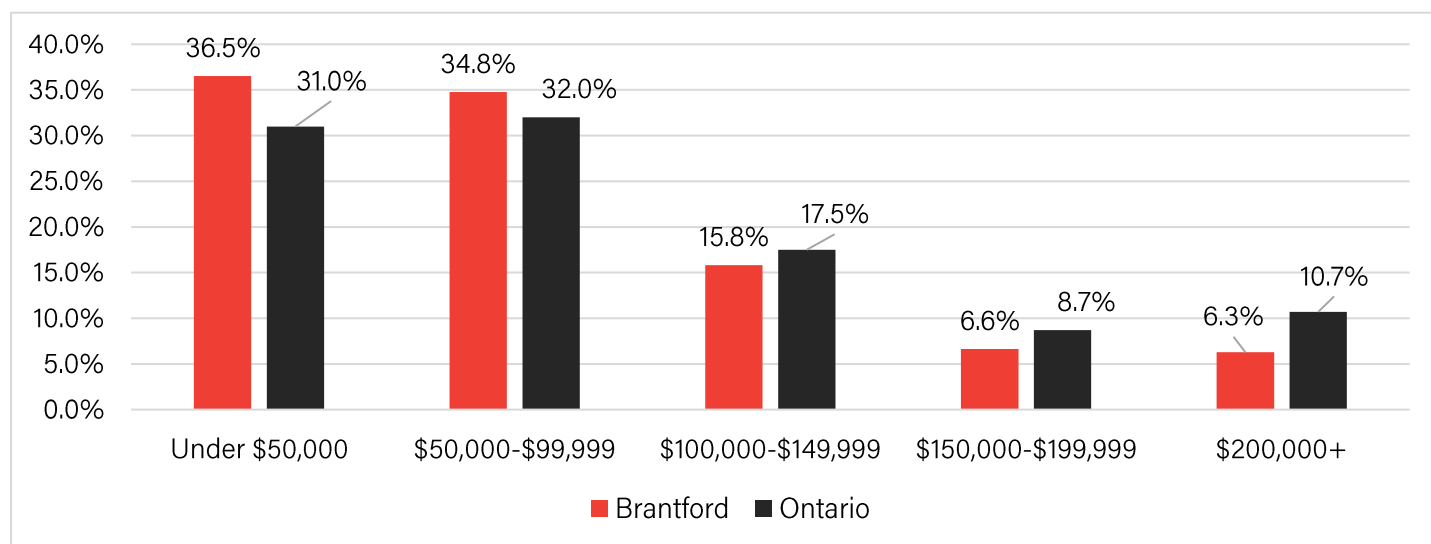
Source: McSweeney & Associates and Manifold Data Mining Inc. SuperDemographics 2022.

² Manifold Data Mining Inc. SuperDemographics 2022.

2.1.2. Income and Household Spending

On average, residents in Brantford have slightly lower levels of employment and household income compared to Ontario (Figure 2). Brantford, though, offers much more favourable costs of housing. Compared to Ontario, Brantford has a lower cost of housing. Fewer residents (about 26%) here spend over thirty percent of their total income, versus 28% provincially. These figures suggest Brantford residents have comparable disposable incomes compared to Ontario residents.

Figure 2: Household Incomes for Brantford and Ontario Residents, 2021



Source: McSweeney & Associates and Manifold Data Mining Inc. SuperDemographics 2022.

Income breakdowns show that Brantford residents are slightly more likely to earn under \$100,000, but once normalized against shelter costs (see Table 11), local incomes offer similar rates of disposable income, as shelter costs are less in Brantford than across Ontario.

Specifically, while average household incomes are lower in Brantford, shelter cost as a percentage of household income is fairly similar between Brantford and the province. The average Brantford household's shelter costs are 29.1% of total income, compared to 26.3% across Ontario, suggesting that 70-74% of incomes are available for non-shelter expenditures.

Table 11: Household Income and Dwelling Costs, 2022

Housing Characteristics	Brantford	Ontario
Average Shelter Costs, Annual, by Household	\$25,520	\$28,964
Average household total income	\$87,781	\$109,992
Average Shelter Costs as a Percentage of Total Income	29.1%	26.3%

Source: McSweeney & Associates from Manifold Data Mining Inc. SuperDemographics. 2022.

2.1.3. Resident Employment

Another aspect of demographic analysis is an assessment of the total jobs within the *retail trade* sector in Brantford and within which Brantford residents work. Assessing total job counts first, as can be seen in Table 12, *retail trade* is a major sector in Brantford, as it is responsible for employing almost 5,631 individuals, fewer than only the *manufacturing* and *health care and social assistance* sectors. This total speaks to the number of total jobs within Brantford, regardless of where those employees reside.

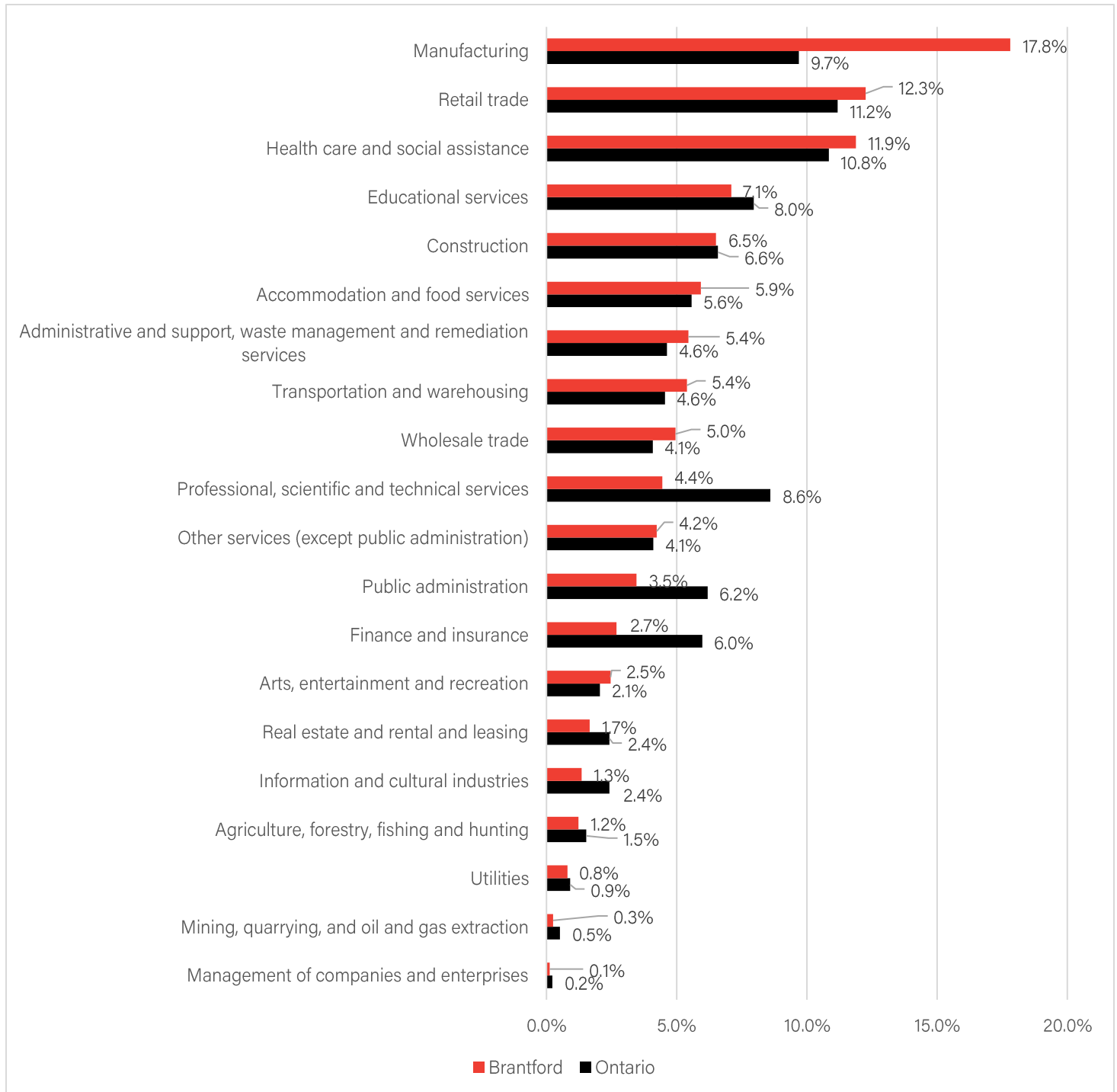
Table 12: Total Jobs per Sector, Brantford, 2022

Sectors	Total Jobs within Brantford
Manufacturing	8,871
Health care and social assistance	7,035
Retail trade	5,631
Accommodation and food services	3,560
Educational services	3,381
Wholesale trade	2,981
Construction	2,962
Administrative and support, waste management and remediation services	2,446
Public administration	1,828
Transportation and warehousing	1,791
Other services (except public administration)	1,648
Professional, scientific and technical services	1,447
Finance and insurance	882
Unclassified	855
Arts, entertainment and recreation	822
Real estate and rental and leasing	547
Information and cultural industries	438
Utilities	223
Agriculture, forestry, fishing and hunting	114
Management of companies and enterprises	72
Mining, quarrying and oil and gas extraction	29
Total Labour Force 15 years and older	33,374

Source: EMSI Analyst 2022.3.

When assessing where Brantford residents work, *retail trade* is also a key sector. Specifically, Figure 3 notes that 12.3% of employed Brantford residents work within the sector. This makes *retail trade* the second-most prominent sector in terms of resident employment, behind only *manufacturing*.

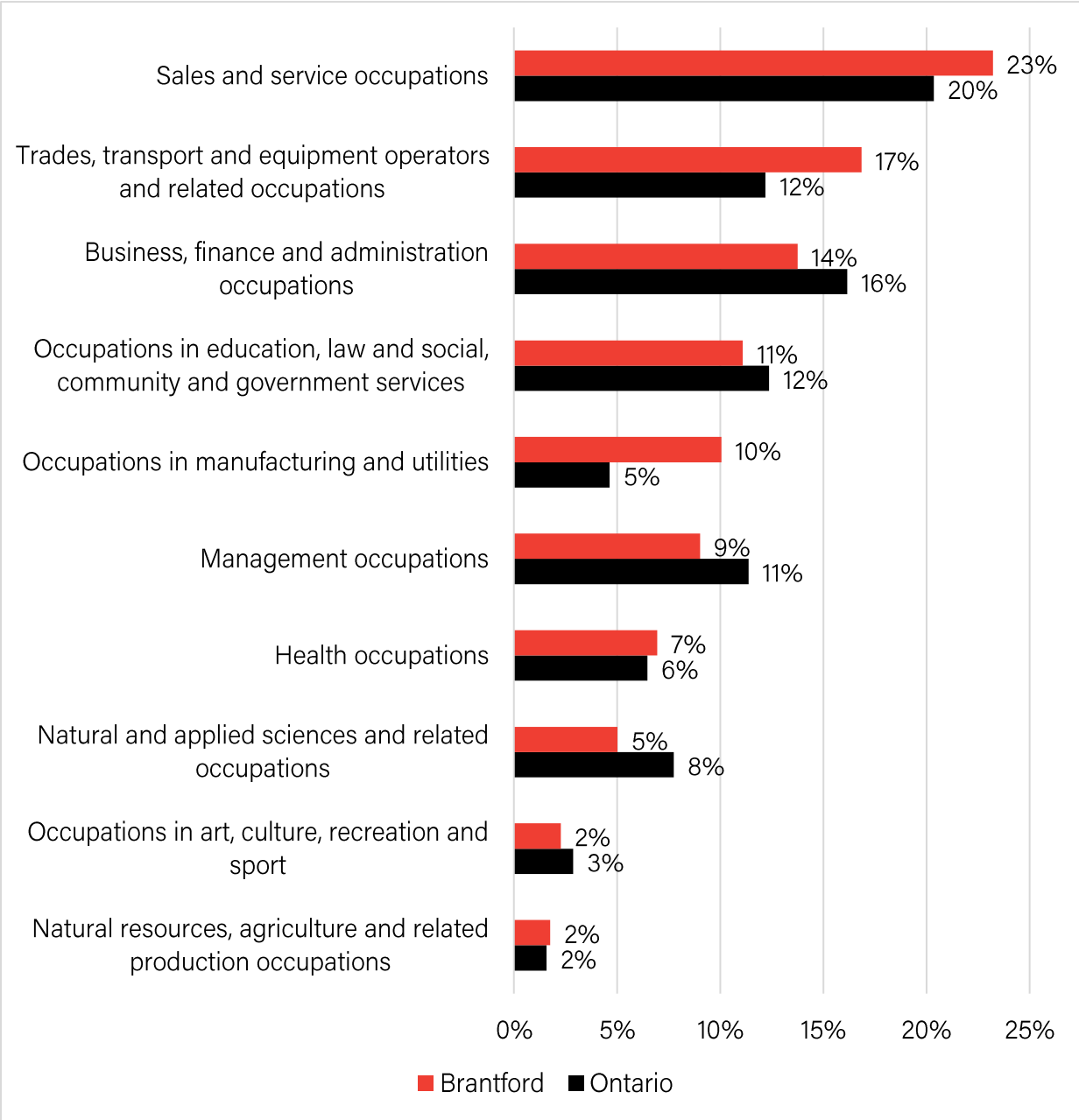
Figure 3: Labour Force by Industry, 2022



Source: Manifold SuperDemographics 2022.

Resident labour force can be further assessed by occupation. As can be seen in Figure 4, sales and service occupations are slightly more predominant in Brantford than Ontario (23% locally compared to 20% at a provincial level). These occupations are the major occupation class locally, with no other occupation representing more than 17% of employment for Brantford residents.

Figure 4: Resident Labour Force by Occupation, 1-digit NOC, 2022



Source: Manifold SuperDemographics 2022.



2.2. Demographic Clusters

The demographic clusters shown below (Table 13) clearly demonstrate that Brantford households are more likely to fit within *The New Canadians*, *High Trades* and *Nest Builder* demographic profiles when compared to provincial averages. In contrast, Brantford households are less likely to fall within the *Joyful Country*, *Urban Life in Small Towns* or *Ethnic Cruiser* demographics.

Table 13: CanaCode Demographic Clusters, Brantford, 2022

Demographic Cluster	Household: Count	Household: Percentage		
	Brantford	Brantford	Ontario	Canada
Affluents	404	1.0%	5.0%	3.4%
Elite Professionals	2,208	5.2%	8.5%	7.2%
Ethnic Cruisers	908	2.2%	6.6%	4.4%
Nest Builders	5,581	13.2%	7.5%	6.2%
Buy Me a New Home	4,258	10.1%	12.2%	11.0%
Empty Nesters	3,907	9.3%	4.9%	4.1%
Up the Ladder	3,768	8.9%	12.8%	14.3%
High Trades	5,672	13.4%	4.7%	5.0%
Urban Life in Small Towns	0	0.0%	5.2%	7.8%
Joyful Country	0	0.0%	6.4%	6.0%
Rural Handymen	0	0.0%	2.6%	4.5%
Comfortable Apartment Dwellers	4,928	11.7%	12.9%	11.3%
Singles	801	1.9%	2.2%	4.2%
The New Canadians	5,476	13.0%	3.0%	2.7%
Renters	760	1.8%	1.6%	3.1%
One Parent Families	880	2.1%	0.8%	1.7%
Thrifty	2,625	6.2%	2.9%	3.3%
Total	42,176	100%	100%	100%

Source: Manifold CanaCode Lifestyle Clusters 2022.

The top five demographic clusters in terms of percentage of households in Brantford are profiled below, with a specific eye to retail-related impacts. These five clusters all represent over 10% of households in Brantford and combine to represent 61.4% of local households. Full details on each of the demographic clusters are available in Appendix A.

2.2.1. High Trades (13.4% of households in Brantford)

High Trades households make up 13.4% of all households in Brantford, significantly more than the provincial (4.7%) and national (5.0%) representation. These households are typically working rural families and many work in trades and agriculture and related production occupations.

These households are typically very family-oriented with an education in apprenticeship or trades. They typically value brand names and are interested in home renovation projects more than average Canadians. Convenience when shopping is highly valued among this demographic and they are more likely than average to consider e-commerce and online shopping. Big-ticket purchases include being likely to spend money on tools, motorhomes and motorcycles than the average Canadian.

2.2.2. Nest Builders (13.2% of households)

Nest builders are similarly focused on investing in and renovating their homes. This demographic is typically very well-educated and work in natural and applied sciences, management, business and other professional services. These households have average incomes of approximately \$134,157 and houses valued at approximately \$825,000.

Related to retail spending, they are significantly more likely to spend money on entertainment, sports (particularly golf) and gardening. Big-ticket purchases include camping trailers, fireplaces, golf equipment and home renovation investments.

2.2.3. The New Canadians (13.0% of households)

These households are typically from the Philippines, Africa, Middle East, Latin, Central and South America and work in blue-collar jobs, typically below their education levels. The average income is approximately \$81,783 and this demographic often rents their dwelling unit. These are typically young families (25-34) with a child/children and move frequently.

This demographic is more likely than the Canadian average to value price over convenience when it comes to shopping and often likes to engage in community projects. They do not typically consistently purchase big-ticket items but are more likely to invest in smaller handheld electronics (video game systems or smartphones) than the average Canadian.

2.2.4. Comfortable Apartment Dwellers (11.7% of households)

Individuals within the *Comfortable Apartment Dwellers* demographic cluster are often seniors and young professionals without kids. Their average income is approximately \$63,684 and average home values of approximately \$530,000, though they are often renters. This demographic has a high disposable income and enjoys domestic travelling. They value convenience and typically work in art, culture and similar industries.

Related to *retail trade* purchases, individuals within this demographic cluster are more likely than the Canadian average to spend on experiences than specific goods and refrain from making additional big purchases.

2.2.5. Buy me a New Home (10.1% of households)

This demographic consists of double earners working to save enough to purchase a house, with an average income of \$131,613. Household sizes are large within this demographic, as many have multiple-family households stretching across generations. This cohort is well-educated and are typically white-collar workers residing in larger urban centres.

This cohort spends more than average on investments and either saving up for a mortgage, or paying off their new mortgage. In terms of expected purchasers, on average they are more likely to spend on sporting goods (skiing and golfing) and shop more often than average at the Bay and Costco. Big-ticket purchases include pools, ski/snowboard and golf equipment, or technology (video games, security systems, portable electronics).



2.3. Spending Habits

Utilizing Manifold Data Mining's Household Spending Patterns data, we can assess the spending patterns of average households in Brantford compared to Ontario households. We begin this subsection with an assessment of spending patterns at a broad level before delving deeper into the specifics of retail spending patterns of Brantford residents. Before presenting the data, two key notes are worth highlighting:

- 1) These household spending patterns are snapshots in time; they represent spending habits for households in 2022. These data do not project how spending habits may change over time and should not be seen as such.
- 2) These spending patterns are averages for residents, not money spent in the community. This means that money spent by residents of other communities who travel to Brantford *will not* be captured in this data. Similarly, money spent by Brantford residents in other communities *will* be captured in this data.

2.3.1. Household Spending Habits

Brantford households spent, on average, \$73,801 in 2021 (this spending does not include taxes or savings such as RRSP contributions), compared to \$83,006 for residents across Ontario (Table 14). In 2021 Brantford residents spent approximately \$2,600 less on retail goods, on average, than Ontario residents as a whole (\$22,307 compared to \$24,921). On average, spending on retail goods was the second most common expense for Brantford households, behind housing.

Relative spending habits were fairly consistent between Brantford residents and the broader Ontario demographic; all categories were within 0.2% of each other in terms of relative spending.



Table 14: Household Spending Habits by Major Spending Category, Brantford and Ontario, 2021³

Major Spending Category	Brantford		Ontario	
	Average Per Household	Percentage	Average Per Household	Percentage
Housing	\$31,533	42.7%	\$35,583	42.9%
Retail	\$22,307	30.2%	\$24,921	30.0%
Charity/Miscellaneous Fees/Taxes	\$1,169	1.6%	\$1,490	1.8%
Transportation	\$10,978	14.9%	\$12,251	14.8%
Entertainment	\$3,571	4.8%	\$3,945	4.8%
Health Care	\$2,416	3.3%	\$2,621	3.2%
Educational Services	\$1,828	2.5%	\$2,195	2.6%
Total	\$73,801	100%	\$83,006	100%

Source: Manifold Data Mining Household Spending Patterns 2022.



³ The housing spending category in this section incorporates different subcategories than the housing costs in Table 11 and should not be compared directly.

We are further able to measure the total spent per major spending category by Brantford households. As can be seen in Table 15, in total Brantford residents spent approximately \$941 million on retail goods in 2021.

Table 15: Total Spending, Brantford Households, by Spending Category, 2021

Major Spending Category	Total Spending, Brantford Households
Housing	\$1,329,918,938
Retail	\$940,798,944
Charity/Miscellaneous Fees/Taxes	\$49,312,179
Transportation	\$462,999,693
Entertainment	\$150,610,496
Health Care	\$101,884,563
Educational Services	\$77,110,381
Total	\$3,112,635,194

Source: Manifold Data Mining Household Spending Patterns 2022.

2.3.2. Retail Spending Patterns

We are able to break the retail purchases into smaller subcategories to better understand the purchasing habits of Brantford residents. Brantford residents' largest retail categories in terms of expenditures in 2021 are food (\$11,263 on average) and clothing (\$2,985).

Retail Spending Category	Total Spending, Brantford Households
Food	\$11,263
Clothing	\$2,985
Household furnishings, art and antiques and equipment	\$2,447
Tobacco Products and Alcoholic Beverages	\$1,751
Personal Care	\$1,536
Reading Materials and Other Printed Matter	\$114
Other miscellaneous Expenditures	\$2,209
Total	\$22,307

Source: Manifold Data Mining Household Spending Patterns 2022.

Food (Table 16) and clothing purchases (Table 17) are further broken down into sub-categories. Within the broader category of “food” (\$11,263 average annual spending), \$10,223 is spent at grocery stores with the rest spent on minor purchases (restaurants, delivery services, etc.); Table 16 presents spending patterns related to grocery stores in 2021. Table 17 then breaks down “clothing” spending patterns into similar subcategories. Regarding food purchases, Brantford households averaged spending of over \$1,000 on four grocery products:

- Meat - Residents spent on average \$2,276 on in 2021 (22.3% of grocery expenses).
- Dairy products and eggs - \$1,423 (13.9%).
- Fruit and nuts - \$1,350 (13.2%).
- Vegetables - \$1,180 (11.5%).

Table 16: Residents of Brantford Spending Patterns, Groceries, 2021

Spending Description	Brantford Average	Brantford Total	Ontario Average
Meat	\$2,276	\$95,988,358	\$2,579
Dairy products and eggs	\$1,423	\$60,008,013	\$1,611
Fruit and nuts	\$1,350	\$56,916,512	\$1,612
Vegetables	\$1,180	\$49,746,592	\$1,406
Bakery goods	\$987	\$41,636,147	\$1,114
Cereal grains and cereal products	\$613	\$25,870,758	\$725
Sugar and confectionery	\$393	\$16,592,038	\$439
Fish and other marine products	\$371	\$15,643,078	\$475
Condiments, spices and vinegar	\$351	\$14,820,646	\$385
Other non-alcoholic beverages	\$310	\$13,070,342	\$341
Coffee and tea	\$230	\$9,708,915	\$253
Other food preparations	\$168	\$7,089,786	\$176
Frozen prepared food	\$156	\$6,596,326	\$169
Snack food	\$122	\$5,141,254	\$135
Ready-to-serve prepared food	\$122	\$5,132,819	\$131
Margarine, oils and fats (excluding butter)	\$97	\$4,099,507	\$110
Soup (except infant soup)	\$73	\$3,087,283	\$79
Total	\$10,223	\$431,152,595	\$11,739

Source: Manifold Data Mining Household Spending Patterns 2022.

Finally, there are four major clothing spending categories for Brantford residents (Table 17):

- Women's and girls' (4 years and over) wear - \$74.3 million total spent by Brantford residents in 2021.
- Men's and boys' (4 years and over) wear - \$46.7 million total spent in 2021.
- Children's (under 4 years) wear - \$3.7 million total spent in 2021.
- Services related to clothing - \$1.2 million total spent in 2021.

Table 17: Residents of Brantford Spending Patterns, Clothing, 2021

Spending Description	Brantford Average	Ontario Average	Brantford Total
Women's and girls' wear (4 years and over)	\$1,762	\$1,943	\$74,293,024
Clothing	\$918	\$1,016	\$38,709,133
Athletic footwear	\$61	\$67	\$2,576,954
Non-athletic footwear	\$235	\$258	\$9,911,360
Accessories	\$95	\$107	\$4,015,155
Jewellery and Watches	\$140	\$156	\$5,900,422
Clothing gifts to non-household members	\$313	\$339	\$13,184,218
Men's and boys' wear (4 years and over)	\$1,108	\$1,224	\$46,731,008
Clothing	\$587	\$653	\$24,736,224
Athletic footwear	\$86	\$95	\$3,606,048
Non-athletic footwear	\$133	\$147	\$5,609,408
Accessories	\$42	\$48	\$1,779,827
Jewellery and Watches	\$52	\$60	\$2,193,152
Clothing gifts to non-household members	\$209	\$222	\$8,802,131
Children's wear (under 4 years)	\$87	\$97	\$3,669,312
Clothing and cloth diapers	\$50	\$55	\$2,100,365
Footwear	\$10	\$11	\$400,672
Clothing gifts to non-household members	\$28	\$31	\$1,168,275
Services	\$29	\$29	\$1,223,104
Laundry and dry-cleaning service	\$14	\$15	\$577,811
Laundromats and self-service dry cleaning	\$12	\$12	\$518,765
Maintenance, repair and alteration	\$3	\$3	\$126,528
Total	\$2,986	\$6,586	\$251,832,896

Source: Manifold Data Mining Household Spending Patterns 2022.

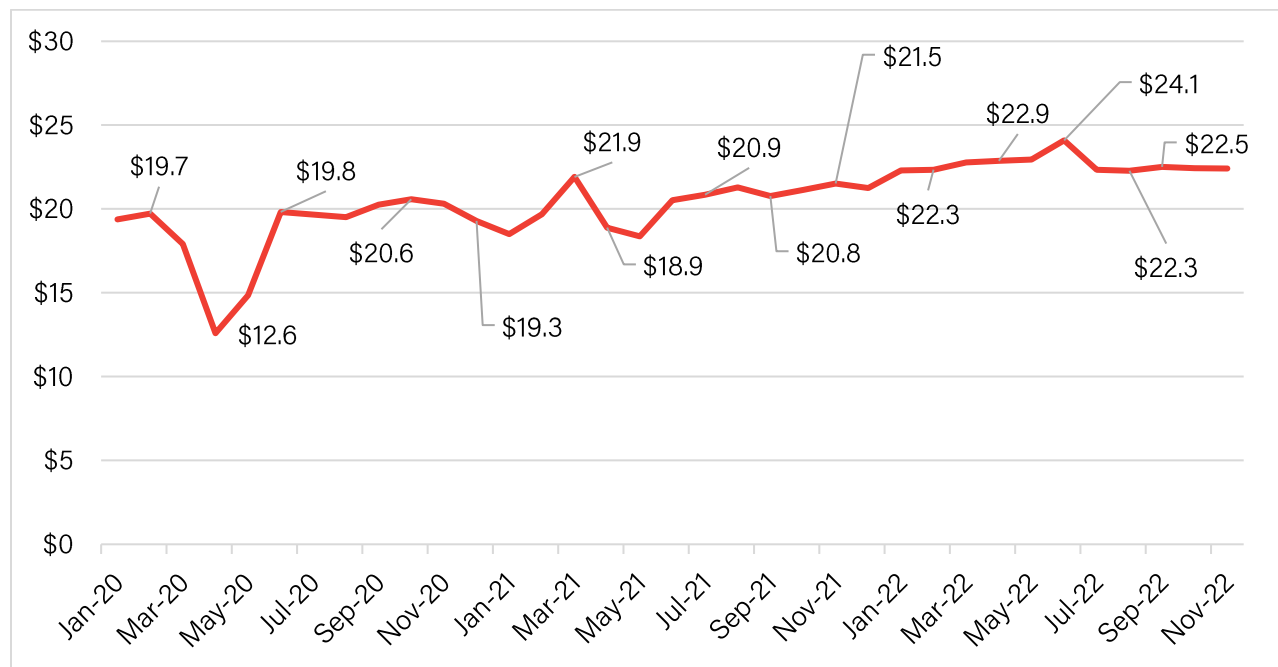
3. HISTORIC TRENDS

This section begins with an assessment of the impact COVID-19 has had on the retail sector and its potential long-term impacts. There is then a shift to a discussion as to whether these trends are new or merely a continuation of already observed changes, before framing the discussion in terms of “needs” versus “wants” shopping. Next, “experiential” shopping is defined alongside a discussion of its benefits and how it relates to retailers post-COVID-19.

3.1. The Changing Nature Of Retail Due To COVID-19

The COVID-19 pandemic has significantly altered the way retail stores have operated. During the first half of 2020 retail sales plummeted due to stay-at-home bylaws and other public safety measures. Though these recommendations and laws helped prevent the further spread of COVID-19, they did significantly impact local retail businesses. Fortunately, however, many of the revenue shocks were relatively short-lived. As Figure 5 shows, while there was a precipitous drop in retail sales from February 2020 (\$19.7 billion in retail sales in Ontario) to April (\$12.6 billion), by June 2020 sales were back to February levels (\$19.6 billion). Though Ontario retailers have faced more volatility since the beginning of the pandemic, average values have grown above pre-pandemic levels.

Figure 5: Retail Trade Sales by Month, Ontario, January 2020-Dec 2022 (\$ Billions)



Source: Statistics Canada. Table 20-10-0008-02 Retail trade sales by industry.

Although the low sales figures brought on by the pandemic were relatively short-lived, retailers nevertheless felt the need to adapt their businesses more aggressively than other sectors. Specifically, whereas approximately half of all businesses (regardless of the sector) “added new ways to interact with or sell to customers” during the pandemic, four out of every five retailers (80.2%) adapted in this way. Retailers were also more likely to have to increase maintenance costs and alter their products or services offered to customers, compared to other sectors (Table 18).

Table 18: COVID-19 Adaptation Methods by Retailers

Adaptation	Percentage of Retailers that Adapted	Percentage of all Businesses that Adapted
Added new ways to interact with or sell to customers	80.2%	49.0%
Increased maintenance costs	44.0%	23.0%
Altered products or services offered to customers	36.7%	27.4%

Source: Statistics Canada. Table 33-10-0250-01 Changes made by businesses to adapt to the COVID-19 pandemic, by business characteristics.

These forced adaptations, alongside other pandemic-related realities, have led to analysts calling COVID-19 an “evolutionary bottleneck”⁴ that will “upend retail as we know it”⁵, “significantly disrupt” the sector⁶ and potentially lead to a “great reset”⁷ and “new normal”⁸ in how retail business is done. Potential adaptations and adjustments by retailers include a shift to e-commerce, a greater emphasis on “place-based” organizations (i.e., main streets or business improvement districts) to support business resilience and a more significant embrace of technological supports in stores. Although many see COVID-19 as a catalyst for these potentially seismic shifts in consumer engagement, others argue that this is merely a continuation (or slight updating) of previous retail trends.

⁴ Brookings Institute. 2020. *COVID-19 Will Upend Retail but there are Steps we can Take to Save it.*

⁵ McKinsey & Company. 2021. *Sporting goods 2021: The next normal for an industry in flux.*

⁶ KPMG. 2021. *The Realities of Retailing in a COVID-19 World.*

⁷ We Forum. 2021. *The Great Retail Reset.*

⁸ Pew Research Center. 2021. *Experts Say the ‘New Normal’ in 2025 Will Be Far More Tech-Driven, Presenting More Big Challenges.*

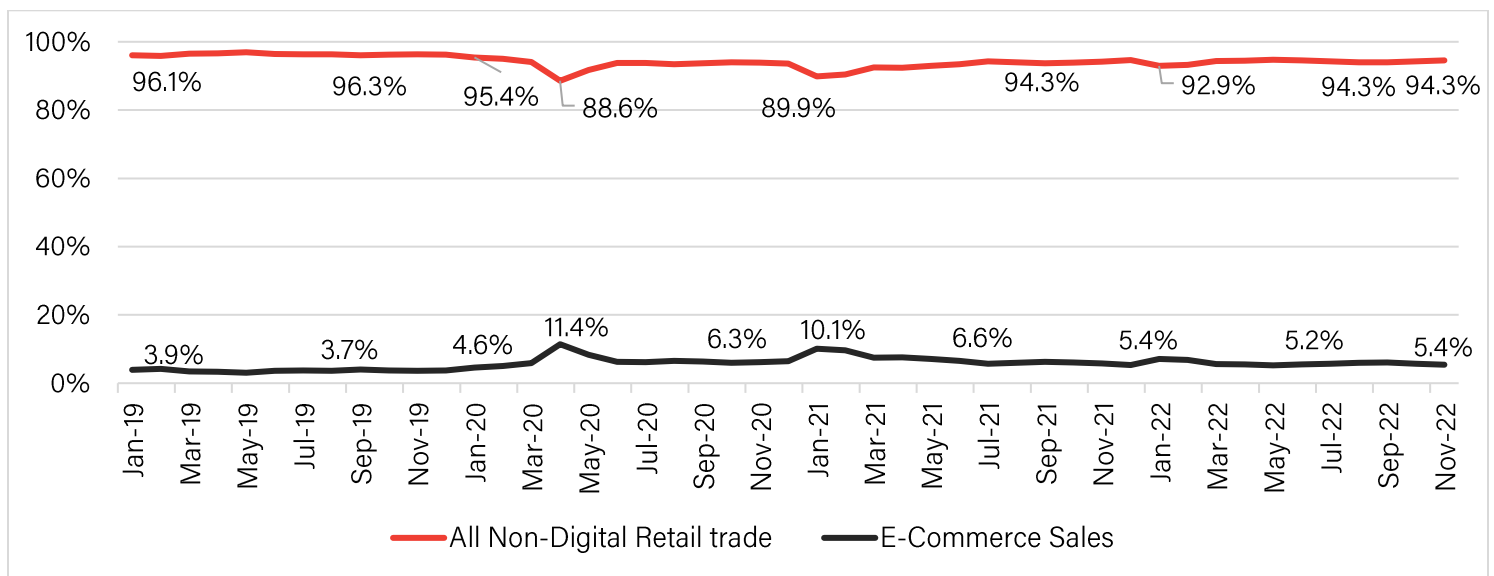


3.2. Catalyst or Continuation?

During the COVID-19 pandemic, e-commerce became a crucial tool for local and larger-scale retailers to reach consumers that were unable or unwilling to shop in person. At the same time, when e-commerce is measured as a percentage of total retail sales, it becomes clear that brick-and-mortar shopping is still vastly superior in terms of total sales.

Specifically, Figure 6 demonstrates that before the pandemic (December 2019) e-commerce represented 5.1% of total sales. While that number spiked at the height of the pandemic to 10.8% of total sales, by September 2021 that total had returned to 5.6% of all sales.

Figure 6: E-Commerce as a Percentage of National Retail Sales, January 2019-December 2022



Source: Statistics Canada. Table 20-10-0072-01 Retail e-commerce sales.

Compared to January 2019 (3.9% of sales) it is clear that e-commerce has increased (ranging from 5.2% to 7.1% through 2022). Still, however, e-commerce in November 2022 only represented approximately \$1.08 out of every \$20 spent by retail consumers (5.4%). Therein, though shoppers are more likely to shop online in November 2022 than they were in January 2019, it appears that the trend is more of a continuation of pre-pandemic growth of online shopping, rather than a complete paradigm shift brought on by COVID-19.

At the same time, although shopping remains a predominantly in-person experience, research on retail goods is now more consistently done online, a trend that is expected to continue to grow significantly. Specifically, a 2019 study noted that approximately 4-in-5 shoppers research their product online before purchasing, regardless of whether their end purchase was made in-store or online⁹. Moreover, according to Export Development Canada, already by 2018, 45% of Canadians

⁹ GE Capital Retail Bank. 2019. *Shopper Research Study*.

visited a store's website before purchasing in a brick-and-mortar store¹⁰. Additionally, the relationship between in-store and online engagement is not only a one-way street. For those who purchase goods online, 36% noted that they prefer to be able to browse in-store before purchasing online to ensure that they like the fit and feel of the product.

As with any shift in dynamics, it is likely that local stores embracing both models (brick-and-mortar, or entirely online) will outperform those who chose to embrace one in lieu of the other. Stores finding the most success through the pandemic were those who integrated a positive online experience with enhanced in-person experiences, a reality that is likely to continue.

3.3. Needs vs. Wants Shopping

Deepak Chopra, former President & CEO of Canada Post, suggests that the struggle between brick-and-mortar shopping and e-commerce must be understood through a different dynamic – needs vs. wants shopping.¹¹ Chopra defines needs shopping as those purchases that are a chore for people, as they represent shopping trips to pick up necessary goods – groceries, diapers for new parents, new shoes to replace ones that are worn out, etc.

Wants shopping, on the other hand, represents shopping that a consumer chooses to do because they desire the experience (i.e., “retail therapy”, shopping for enjoyable hobbies, etc.). Needs shopping is easily replaceable online, as this shopping is considered a hassle and the seamlessness of an online experience (and delivery) eases its burden on the consumer. In contrast, much of the enjoyment from “wants” shopping comes from the experience itself. In this way, shopping for these goods online is not as enjoyable an experience and e-commerce therefore will not eat into this category of in-person retail. For this reason, it is imperative for brick-and-mortar retailers to change their experience and consumer engagement model to ensure that their business is seen as a “wants” shopping experience, rather than a necessary chore. This trend was already underway prior to the pandemic, with many stores embracing “experiential shopping.”

¹⁰ Export Development Canada. 2018. *Best of Both Worlds: Combining the Physical and Digital Retail Experience*.

¹¹ Webinar. “Has COVID delivered the death of retail or just kickstarted a vibrant renewal?” Feb 24, 2021, Brock University.

3.4. Experiential Shopping

Experiential shopping is defined as a retail experience that provides an immersive and shareable experience prioritizing consumer engagement over specific sales. The pre-pandemic rise of experiential shopping helps support Chopra's arguments regarding needs vs. wants shopping, as experiential retailers have made an effort to transition shopping that would potentially be considered "needs" shopping into an experience that warrants consumers "wanting" to make the journey into the brick-and-mortar location. Notably, before COVID-19, when assessing brick-and-mortar locations, experiential retailers and other services were consistently replacing stores that were more focused on expedient sales.¹² Some examples of experiential retail strategies include:

- Home improvement stores offering "do-it-yourself" classes.
- Appliance or grocery stores that offer interactive cooking classes, wine bars or other home product demos.
- Sporting goods stores that incorporate new technology to allow consumers to "test drive" equipment.
- Clothing retailers with high-tech fitting rooms that enable shoppers to see what an item of clothing would look like in different sizes, colours, styles and so forth.

Specific examples of retailers that have shifted their store strategies include:

- Lululemon, where some stores offer free yoga classes in stores.
- Patagonia, which connects consumers in-store with group-led hikes.
- In New York City, Casper, a mattress company, sells 45-minute naps in their "private sleeping pods" to help sell their mattresses, sheets and pillows.
- Marvel: Avengers S.T.A.T.I.O.N, an immersive half-exhibit half-store that tours the world and allows fans to become "fully immersed in the Marvel fictional world", further connecting the Marvel brand to potential consumers.

These examples align with the above arguments that a positive experience will encourage consumers to remain shopping in-store, while those stores focused on quick sales and a lack of consumer engagement have a service that is easily replaceable online. The ability to quickly and painlessly transition "needs" shopping from an in-person hassle to a stress-free online experience means that many traditional shopping trips will be done virtually. Brick-and-mortar retailers can fight back, however, by changing their traditional point-of-sale-centric model into one that offers unique experiences.

¹² SPUR. 2018. *How New Approaches to the Storefront are Reviving Retail*.

4. FUTURE INDUSTRY PROJECTIONS

Though the retail sector is undoubtedly changing, many of the underlying realities (i.e., demographic demand factors, suppliers and buyers) remain the same. This section profiles the *retail trade* sector on a national scale. Using a broad lens, the key demand factors for the sector and future projections for those factors are assessed. Following this, an assessment of the supply chain and key purchasing sectors for the sector is provided. Although individual retailers and local sectors will invariably face unique situations, having a broad understanding of the factors and determinants that help shape *retail trade* will help stakeholders better adapt to shifting provincial, national and international trends.

4.1. Demand Factors

Retail trade in Canada is most directly impacted by changing consumer behaviour and demographics; demand factors include population growth, leisure time, the consumer confidence index and per capita disposable income.

4.1.1. Population Growth

Population growth helps drive demand for retail products because it widens the scope of customers that a business can attract. A smaller population supports fewer retail stores, while a growing population helps businesses across all retail sub-sectors.

Broadly, Canada's population growth rate is projected to continue at a rate of approximately 1.2% over the next five years. Ontario, meanwhile, is projected to grow at a much faster rate (4.7%). This substantial population growth across the province will help many retailers find a stable consumer base to support their business. Within Brantford, growth is similarly strong, as noted above, with the local population projected to rise to 121,484 by 2032.¹³



¹³ Manifold SuperDemographics 2022.

4.1.2. Leisure Time

Similar to the consumer confidence index, leisure time is important to many retail subsectors because increased leisure time allows consumers to spend their disposable income. Those with less leisure time will find spending their disposable income more difficult.

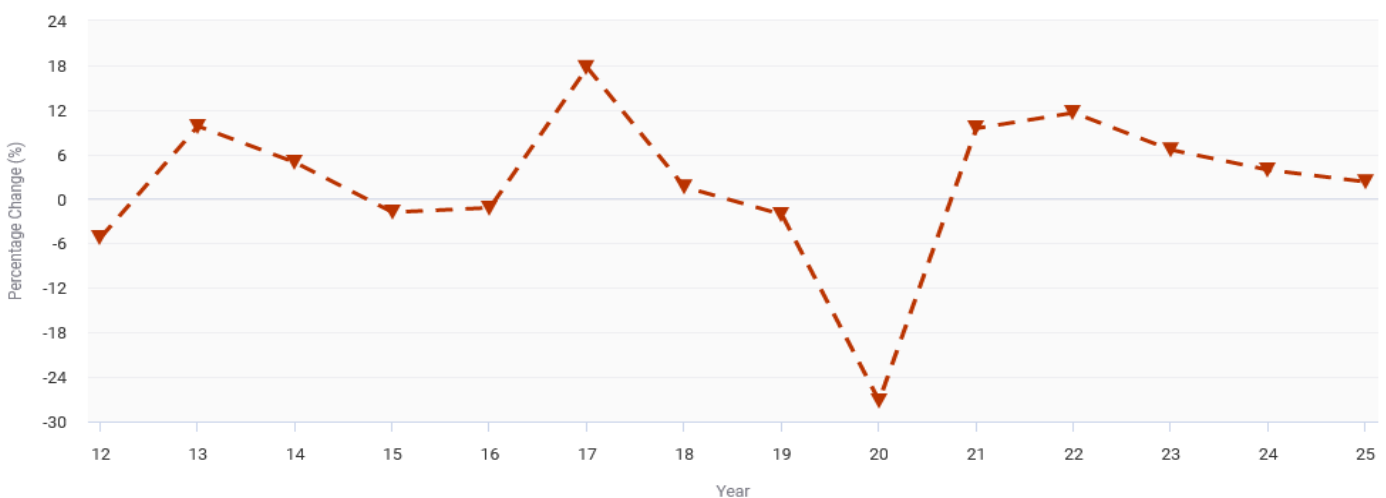
The pandemic significantly increased the amount of leisure time for many Canadians; however, this was a short-term adjustment. The economic recovery has reduced unemployment substantially and leisure time is expected to largely remain the same or decrease slightly compared to pre-pandemic levels. In the medium to long term (post-2026), however, Canada's ageing population is likely to stimulate growth in the average number of hours spent on leisure, as more Canadians transition to retirement. As such, the average leisure time for Canadians is expected to increase after 2026.

4.1.3. Canadian Consumer Confidence Index

Consumer confidence is critical to the success of retailers because the more confidence consumers have in the general outlook of the economy, the more likely they are to spend money rather than invest in long-term savings.

Since 2000, the consumer confidence index has gone through two periods of substantial decline: during the financial crisis (circa 2008) and the COVID-19 pandemic (circa 2020). However, outside of these shocks, consumer confidence has generally been on the rise, a trend that is projected to continue to improve over the medium to long term. Other factors including low interest rates are expected to prop up consumer confidence through the next decade, suggesting that this factor will be a positive in terms of shaping retail demand. As can be seen in Figure 7 below, after a period of instability, consumer confidence is expected to rise at an annual level between 6% and 2% through 2025.

Figure 7: Consumer Confidence Index Percentage Change, Canada, 2012-25



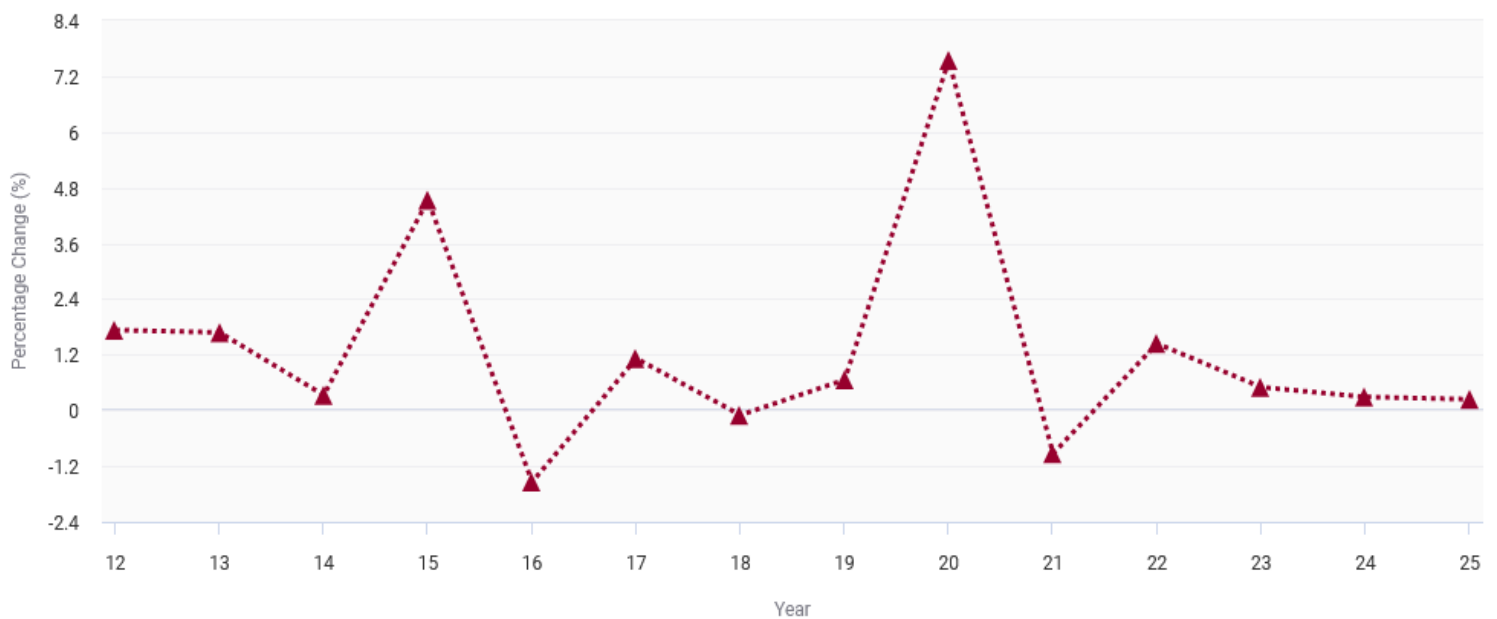
Source: IBIS World 2022.

4.1.4. Per Capita Disposable Income

Per capita, disposable income is critical to many retail outlets as this measure assesses income after payment of taxes and other necessary costs. While some retailers (i.e., grocery stores) are less subject to disposable income volatility due to the necessity of the goods they sell, many others (i.e., hobby, furniture, consumer electronics, recreational vehicle stores, etc.), sell goods that rely on consumers having the money they are willing to spend on non-necessity goods.

Per capita disposable income has remained at a steadily increasing pace in Canada and Ontario over the past 30 years. Through multiple shocks in the last twenty years (the financial crisis and COVID-19), per capita disposable income has been successfully propped up through a combination of overall growth and government spending. As such, the overall outlook is strong, projecting average annual increases of 0.8% in per capita disposable income from 2023 through 2025. Once again, these projections suggest a strong future market for the retail sector (Figure 8).

Figure 8: Annual Percentage Change in Per Capita Disposable Income, Canadian Residents, 2012-25



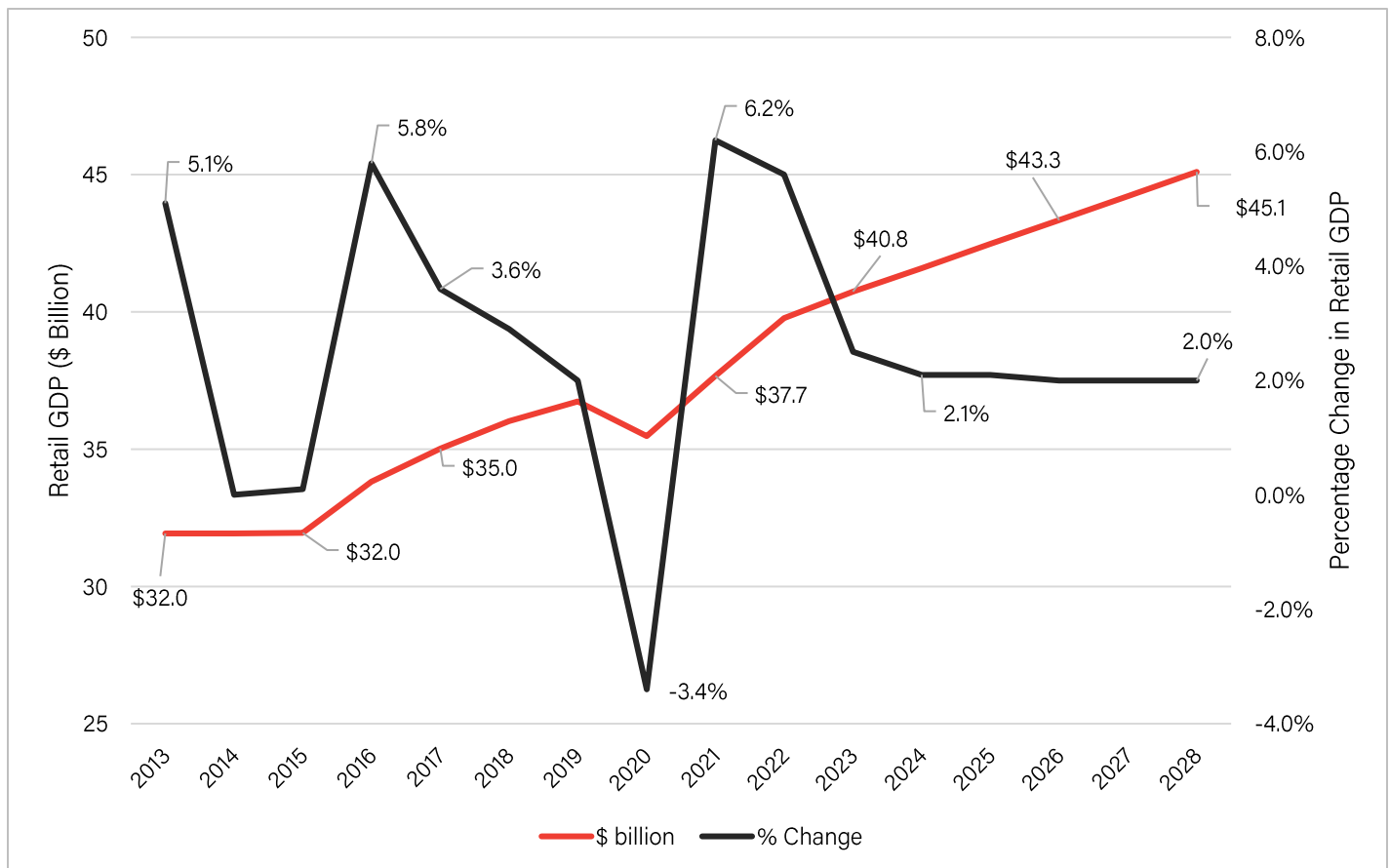
Source: IBIS World 2022.

4.1.5. Overall Future Demand Outlook

After a transitory period of turbulence during the COVID-19 pandemic, the underlying demographic realities of Canadian and Ontario consumers suggest that the retail sector is poised for a strong period of growth. The previous section illustrated that there are shifting realities to the nature of how retail business may be conducted, but the general trends regarding consumer demand in retail products appear strong.

As can be seen in Figure 9 below, Ontario's retail sector GDP rebounded significantly in 2022 and is expected to see steady annual growth (approximately 2%) through 2028.

Figure 9: Retail GDP, Total (\$ Billion) and Percentage Change, Canada, 2012-25



Source: IBIS World 2022.

4.2. Supply Chain for the Retail Sector in Ontario

Specific suppliers of retail goods are dependent on the subsector, as each subsector (i.e., clothing retailers, hardware stores, auto parts, grocery stores, etc.) relies on specific goods being available. Generally, they fall within one of three categories:

- 1) Goods producers (i.e., frozen or snack food producers, natural goods extractors, mills, etc.).
- 2) Manufacturers (i.e., auto parts, batteries, furniture, apparel, etc.).
- 3) Wholesalers of manufactured and natural goods.

Key purchasers for the retail sector can be likewise separated into two categories:

- 1) End consumers.
- 2) Businesses relying on consumer goods (i.e., electricians, restaurants, auto mechanics, hotels & motels, etc.).

4.3. Retail Sector Assessment

Overall, many of the factors influencing *retail trade* in Canada appear positive when projecting into the future. While the sector has experienced an incredibly turbulent time during COVID-19, the underlying data suggest that the medium to long-term outlook will stabilize due to positive demographic factors including an increase in disposable income, more leisure time for Canadians as the population ages and a strong consumer confidence index.

Moreover, the supply chain for the retail sector is relatively stable; traditional manufacturers, goods producers and wholesalers remain as key suppliers while the sales are focused typically on the end-consumer. While there are many shifting dynamics and challenging aspects of doing business within the *retail trade* sector, the overall health and outlook of the sector appear quite positive.



APPENDIX A





Data Dictionary

CanaCode Lifestyle Clusters



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Manifold CanaCode Lifestyle Clusters Summary

Table 19 presents the designated CanaCode Name for each lifestyle cluster, as well as the percentage that each cohort makes up within Canada and Ontario. The following pages within the Appendix provide a further breakdown of each CanaCode Cluster, including spending habits.

Table 19: CanaCode Clusters and Percentage of Total Households by Cohort

Manifold CanaCode Lifestyle Clusters Summary		
Name of CanaCode Clusters	% Household Canada	% Household Ontario
A: Affluents	3.44%	4.98%
B: Elite Professionals	7.20%	8.53%
C: Ethnic Cruisers	4.37%	6.65%
D: Nest Builders	6.19%	7.49%
E: Buy Me a New Home	11.00%	12.21%
F: Empty Nesters	4.08%	4.90%
G: Up the Ladder	14.26%	12.54%
H: High Trades	4.93%	4.72%
I: Urban Life in Small Towns	7.81%	5.41%
J: Joyful Country	5.98%	6.43%
K: Rural Handymen	4.49%	2.63%
L: Comfortable Apartment Dwellers	11.29%	12.91%
M: Singles	4.18%	2.24%
N: New Canadians	2.73%	3.02%
O: Renters	3.13%	1.64%
P: One Parent Families	1.65%	0.83%
Q: Thrifty	3.27%	2.86%
R: Business	Not Applicable	Not Applicable

CanaCode Major Lifestyles

Cluster A: Affluents

3.44% of Canadian Households.

- Top Earners & Owners.
- Well Established & Urban.
- Worldly & Sophisticated.
- Average Maintainers' Age 50.



This cluster consists of senior executives & managers, health professionals, business and financial professionals, judges, lawyers, psychologists, social workers, ministers of religion, and policy and program officers.

The average income is \$260,117 and home value¹⁴ is \$1,870,031.

The average maintainers' age is 50.2 with a household size of 2.82. 83.3% of them have British and European ancestors. They reside in Toronto, Calgary, Vancouver and Ottawa. With a university or higher degree, they spend 2.6x the average on education, other retirement or pension funds, and recreational vehicles. They travel, drive luxury cars, spend 2x average on childcare, and own vacation homes more than average. They are more likely to be Jewish (4.7x average). They are careful of what they eat in order to keep their weight under control. They consider themselves to be sophisticated in lifestyle, enjoy being extravagant, and brand conscious but spend with discipline, and shop heavily at The Bay.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase ski/snowboard equipment, sailboats, golf equipment, power boats, giftware, 8K TVs, high-end smartphones, satellite radios, fireplaces, hot tubs/spas, and home exercise equipment.

¹⁴ Home value is a combination of listing prices and consumer self-reported estimates. It is subject to 20% variation.

Cluster B: Elite Professionals

7.20% of Canadian Households.

- Highly Educated.
- Techno Savvy.
- Urban Families.
- Graying Boomers.



These are managers and professionals with university degrees in science and law. Nearly 2x average earned a master's degree or doctorate.

An average income of \$165,511, they live in relatively new houses valued at \$1,213,937.

The average maintainers' age is 48.8, and household size is 2.72.

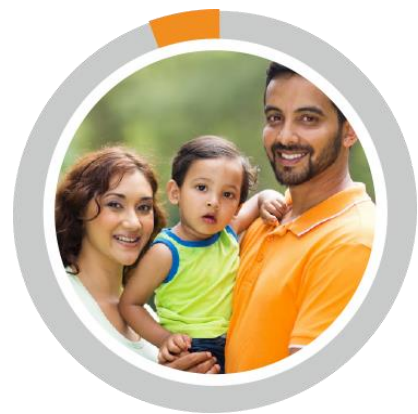
80.3% of them have British and European ancestors; 11.4% are French and 81.2% live in Ontario, BC, and Alberta. They spend 1.6x average on education, and 1.4x average on computer-related items. They travel, play golf, ski, and play soccer. They read about business, finance, science fiction, sports, and news. They like to try gourmet and healthy cooking. They consider themselves to be more sophisticated in lifestyle than average and are self-confident and ambitious. They often shop at The Bay and Costco.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase sailboats, ski/snowboard equipment, motor homes, computers/tablets, 8K TVs, high-end smartphones and electronics, fireplaces, and hot tubs/spas.

Cluster C: Ethnic Cruisers

4.37% of Canadian Households.

- Ethnic & Established.
- Highly Travelled.
- Family Focused.
- Home & Health.



Well-established ethnic households. 40% are immigrants. 45% are visible minorities (35.1% Asians, 6.1% Blacks and Latin American). 13.1% Southern European (Italian/Portuguese/Spanish/Greek).

The average income is \$141,280, and home value is \$1,286,625.

A variety of life stages; they have a large household size (2.91).

Highly educated, they work in management and professional roles of corporations in finance and insurance, the applied sciences, information, and cultural industries. They travel internationally 1.4x average, cook, play soccer, and read about business, finance, fashion, healthcare, sports, and news. They consider themselves to be sophisticated in lifestyle, enjoy being extravagant, and their career is their priority. More likely to think the man should be the head of the family. Shop more than average at The Bay. Price is more important than convenience when shopping.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase sail/power boats, personal watercraft, motor homes, motorcycles, smart telephones, 8K TVs, and high-end electronic devices (e.g., smartwatches, high-end smartphones, and iPads).

Cluster D: Nest Builders

6.19% of Canadian Households.

- Renovators.
- White Collar Families.
- Little Luxuries.
- Home & Garden.

Typical middle, urban Canadians who prefer to invest in and renovate (1.2x average) their homes.

Average income of \$134,157; house value of \$824,722, and household size of 2.65.

They are slightly above average in education and work in natural and applied sciences, management, business, finance and administration, social science, government service, and religion. They are 20% more likely to be of British, Italian, Ukrainian, and Polish heritage and live in Edmonton, Calgary, Toronto, and Ottawa. Besides home renovation, they read about business, mystery, sports, and gardening. They are 1.3x more active in golf than the Canadian average. They enjoy entertainment and their career is not their first priority. They shop more often than average at Costco.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase camping trailers, fireplaces, golf equipment, and spend significantly more on home renovation.



Cluster E: Buy Me a New Home

11.00% of Canadian Households.

- Double Earners.
- Young Families.
- Home Buyers.
- Home & Garden.



Double earners working hard for their homes (avg. value \$838,616), they have an average income of \$131,613.

Household size of 2.71, many of them have multiple-family households with relatives, and 4 or more people in a household (1.3x).

15% more likely than average to have a university education. They are white-collar workers likely residing in major cities and working in large companies. They are more than 1.4x likely to be Chinese, Italian, Portuguese, or Greek. Besides paying off their mortgage, they spend more than average on mutual funds and stocks, their children's education, and travel. They read about home improvement, business, best sellers, and sports. Their participation rate in skiing and golf is 20% higher than the average. They like to go out with friends and are easily persuaded. Shop more often than average at The Bay and Costco.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase pools, ski/snowboard and golf equipment, Nintendo Switch/mobile games, car alarms/security systems, portable electronics, and music streaming services (Apple Music, Spotify, etc.).

Cluster F: Empty Nesters

4.08% of Canadian Households.

- Retirement Age.
- Golf & Grandkids.
- Slowing Pace of Life.
- Travel & Recreation.



A household size of 2.22 and average income of \$108,823. They live in older homes with an average value of \$740,524.

With high disposable income and more free time, they travel, cook, garden, and dote on their grandchildren. They spend more on healthcare, hospital care, recreational vehicles, reading, donations, and supporting people living outside Canada. More live performing arts and gardening, fewer sports. They are found (in order of importance) in

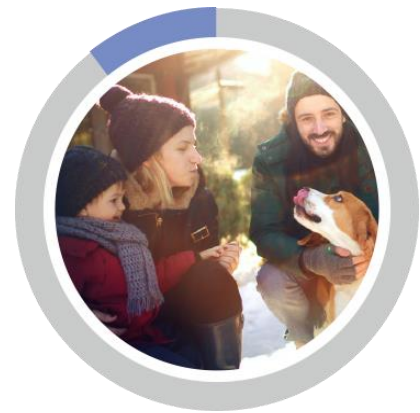
Ontario, B.C., New Brunswick, Nova Scotia and Manitoba. They are concerned about the nutritional content of food products they buy and are more likely to think new and improved packages are just advertising gimmicks. Price is more important to them than convenience. Career is not their first priority.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase a fireplace. Less likely to purchase sailboats, pools, snowmobiles, smartphones, ski/snowboard equipment, video game consoles, or Nintendo Switch.

Cluster G: Up the Ladder

14.26% of Canadian Households.

- Young Families.
- New Suburbanites.
- Kids, Dogs & Station Wagons.
- Dynamic Careers.



Middle-class households in busy a life stage. Income (\$103,526) and home value (\$677,017) are slightly below the Canadian average.

The household size is 2.42.

24.7% of them have a home language of French and many of them work in the trades, transport and equipment as operators. More Montreal dwellers have common-law couples and lone-parent families with children at home. They spend more on healthcare supplies and childcare. In their precious leisure time, they read more about relationships, interior decorating, organic gardening, and woodworking. Occasionally they ski. They think an important part of their life and activities is dressing smartly. They enjoy being extravagant but think no-name products are as good as nationally advertised brands. They like to go out with friends and also have fun at home. They consider their careers to be their first priority.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase personal watercraft, motor homes, snowmobiles, camping trailers, pools, motorcycles, and water coolers/water delivery services.

Cluster H: High Trades

4.93% of Canadian Households.

- Skilled Trades.
- Secondary Education.
- Hardworking.
- Family Oriented.

Working rural families that reside heavily in British Columbia, Nova Scotia, or New Brunswick, many of them are Canadian, French, or Portuguese.

Income of \$90,925 and a home value of \$777,520.

They are more likely to live in detached duplexes or semi-detached houses with a household size of 2.27.

Educational level is apprenticeship or trades. They work more than average in art, culture, recreation, trades, agriculture and related production occupations, sport, and as heavy equipment and crane operators. They read about natural health and romance. They do home renovations. They may not spend a lot of time on personal grooming. They are open-minded to new products and admire brand names. Convenience is more important than price when shopping. They pay attention to women's rights. They are more likely than average to shop online.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase tools, motor homes, and motorcycles.



Cluster I: Urban Life in Small Towns

7.81% of Canadian Households.

- Service Industry.
- Spend On Basics.
- Single Parents.
- Home & Community.

Anglophones in small towns, many in the Atlantic, Prairie, and BC provinces. They tend to work in trades, transportation, heavy equipment and forestry operations, mining, oil and gas extraction, and fishing. Many do not have a fixed workplace or worked at home.



Average income of \$97,469, home value of \$509,476, and household size of 2.34.

They spend more on medicinal and pharmaceutical products, bingo, casinos, slot machines, video lottery terminals, boats and pet-related goods. They drive to work and enjoy gardening, playing bingo and lotteries, and reading history and the Bible. Average engagement in sports, but less on skiing. Many think young people are too sexually active. Prefer to go shopping at Giant Tiger and discount or online stores. Price is more important than convenience.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase a water cooler/water delivery service, satellite dishes for RVs, car stereos, pools (above or in-ground), and camping trailers.

Cluster J: Joyful Country

5.98% of Canadian Households.

- Skilled Trades & Services.
- Spend On Basics.
- Some Post-Secondary.
- Outdoorsy / Crafty / Pickup Trucks.

Rural households with a large share of Francophone, many reside in Quebec, Maritimes, Saskatchewan, and Manitoba.

Average income of \$109,157, home value of \$626,376, and household size of 2.35.

They spend more than average on their home, gardening, recreation vehicles, gasoline and fuel, medicine, and bingo. They give 37% above average to non-religious charitable organizations. They work at home, in natural resources, agriculture, the trades, transportation, and heavy equipment operations. They hunt and fish more than average. When they make a purchase, they often spend more than they thought and would. Like shopping at Giant Tiger, but also online shopping. Looking for convenience, not price. Prefer to postpone a purchase than buy on credit and enjoy entertaining themselves at home rather than going out.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase hot tubs/spas, snowmobiles, pools (above or in-ground), satellite dishes for RVs, camping trailers, power boats, tires, and water coolers/water delivery services.



Cluster K: Rural Handymen

4.49% of Canadian Households.

- Blue Collar.
- Larger Common Law Family.
- Some Secondary.
- Older Homes / Pickup Trucks.

Rural, and many have French ancestry. They work in the trades, transportation and heavy equipment operations, agriculture, mining, farming, fishing, and forestry.

Income \$86,992, home value \$424,072, household size 2.28.

More 55+-year-olds live in old large single houses. They play bingo, hunt, and fish. Many are farmers in Maritimes, Manitoba and Saskatchewan. When they buy products, they are more likely than average to favour convenience over price. Shop more often at Giant Tiger and other community department stores. They often buy more than thought and prefer to postpone a purchase than buy on credit. Treat no-name products as good brands. Like to work on community projects. Television is their primary source of entertainment. They'd rather spend a quiet evening at home than go out to a party.

Purchasing Big Ticket Items: More likely than the Canadian average to purchase snowmobiles, boats, satellite dishes/antennas, camping trailers, motor homes and motorcycles, water coolers/water delivery services, tires, pools (above or in-ground), fireplaces, vacuum cleaners, photo printers, and home exercise equipment.



Cluster L: Comfortable Apartment Dwellers

11.29% of Canadian Households.

- Seniors and Singles.
- Soft Skills.
- Disposable Income.
- Mixed Interests.

Seniors and young professionals without kids that have an income of \$63,684, a home value of \$529,236 (rental), and a household size of 2.02.



High percentages of lone female parents, immigrants, widows, separated, divorcées, and singles. They work in art, culture, recreation, sports, sales, and services. They live in large cities and have good disposable income. They like domestic travelling. They read history, relationships, world news, and politics. Average engagement in sports. Advertising is an important source of information. Prefer low-calorie or 'light' foods and drinks. Like to try new products. Brand loyal but see no-name as equally good. Convenience is more important than price when shopping. Career and working are a priority. Television is a major source of entertainment. They keep their home very neat and clean and feel a single person can have a satisfying, enjoyable life.

Purchasing Big Ticket Items: All things equal, the dwelling type and life stage of consumers in this segment lead them to refrain from purchases of motor homes, personal watercraft, pools, power boats, hot tubs/spas, camping trailers, ski/snowboard equipment, sailboats, motorcycles, snowmobiles, water coolers/water delivery services, fireplaces, and home exercise equipment.

Cluster M: Singles

4.18% of Canadian Households.

- Old Age.
- Primary Industries.
- Bus, Metro, Walk.
- Renters.
- Government Transfer Payments.



Aged 65+, they live in Quebec, Montreal, and New Brunswick. They rent, live in common-law or one-parent households, and are divorced or widowed.

Average income of \$88,675 with a high portion of government transfer, and a home value of \$521,394.

Many of them work in primary manufacturing industries, have a fixed workplace, or are retired. They often use a bicycle or walk. They read about fashion, relationships, and mystery, and spend more on health care. Average engagement in sports, but slightly more in playground equipment. They like to work on community projects and shop at Giant Tiger. Prefer low-calorie or 'light' foods and drinks. Brand loyal and won't try a new product until it's been proven but treat no-name products similarly to brand-name ones. Convenience is more important than price when shopping. Lead busy social life and go out with friends often.

Purchasing Big Ticket Items: Below average consumption, but more likely than the Canadian average to purchase home air-conditioning, car alarms/security systems, and motor homes.

Cluster N: The New Canadians

2.73% of Canadian Households.

- Immigrant Strivers.
- Genteel Blue-Collar.
- Bus, Metro, Walk.
- Young Families.



From the Philippines, Africa, the Middle East, Latin, Central and South America, they work in blue-collar jobs well below their education levels and reside in Ontario, British Columbia, Manitoba, Saskatchewan, Prince Edward Island and Northwest Territories.

An average income of \$81,783, home value of \$606,253 (rented), and household size of 2.19.

They are young (25-34) families with children under 6 years of age. They move frequently and read a lot. Less time spent on sports. Advertising is an important source of information. Internet, social media and TV are their primary sources of entertainment. Price is more important than convenience. Consider to be sophisticated and may feel lonely. Like to work on community projects.

Purchasing Big Ticket Items: Limited consumption, but more likely than the Canadian average to purchase, handheld video game systems, cellular and smartphones, electronics, and music streaming services (Apple Music, Spotify, etc.).

Cluster O: Renters

3.13% of Canadian Households.

- Singles + Couples.
- Public Sector / Arts.
- New Canadians.
- Want To Own.



They tend to be in the Maritimes and Montreal.

And average income of \$63,169, home value of \$473,638 (rented), and household size of 2.05, though 47.1% of them are non-family households.

They spend a large portion of their income on rent and tenants' insurance. They are likely blue-collar workers in natural resources, manufacturing, utilities, art, culture, recreation, and sports. They often read fashion, science fiction, and romance. They like to go hunting and plan on buying a home. They feel they are too tolerant of products and services that do not meet their expectations. They shop at community (cultural) supermarkets and department stores. Advertising is an important source of information. They like to try new products and convenience is more important than price. Brand neutral. Like to work on community projects. May feel lonely.

Purchasing Big Ticket Items: Hardly any consumption on big items. Those who live on the coasts may be interested in sailboats.

Cluster P: One Parent Families

1.65% of Canadian Households.

- Low Disposable Income.
- Blue Collar / Sales.
- Junior Education.
- Young Families.



More than average in Northwest and Yukon territories, Manitoba, Saskatchewan, and Quebec.

Average income of \$67,781, home value of \$486,636 (rented mostly), and household size of 2.4.

They spend more on healthcare supplies and video equipment. They are blue-collar workers in natural resources and related production occupations, sales and services, education, community, and government services. The proportion of First Nations, Arabians, Africans, Caribbean, Latin Americans, and Italians is significantly higher than average. They read books on relationships, science fiction, and romance. They like to try new products. Advertising is an important source of information for them. They are impulsive buyers and often buy more than expected. Brand loyal but treat no-name equally. They lead a busy social life and like to work on community projects. Work and career have high priority. Like to cook. May feel lonely, but family life and having children are most important.

Purchasing Big Ticket Items: Basic consumption on big-ticket items, i.e., home air-conditioning, baby furniture, car alarms/security systems, snowmobiles, and personal watercraft.

Cluster Q: Thrifty

3.27% of Canadian Households.

- Seniors / Single Parent.
- Blue Collar Renters.
- Public Transit Users.
- Little Disposable Income.



Seniors (65+) or aged 25-34 and one-parent families with young kids.

An income of \$43,972, home value of \$462,907, household size of 1.89, and they have very little disposable income.

2.6x average are African, 2.2x Arabian, 1.9x Caribbean and Latin American and 1.6x average households are tenant households in subsidized housing. They consist of a high portion of divorced, widows and separated households. They feel very lonely. They are blue collars in the process industries, manufacturing, sales, service, art, culture, recreation, and sports. Over 24% reside in Montreal. They feel that sex is used too much to sell products. Like to try new products. Often buy more than thought. Brand loyal but treat no-name equally. Leading a busy social life and like to work on community projects. Try to keep abreast of changes in style and fashion. Work and career are important. Like to cook. They'd rather spend a quiet evening at home than go out to a party, and shop often at discount stores.

Purchasing Big Ticket Items: The only viable consumption of big items for consumers in this cluster seems to be home air-conditioning.

Cluster R: Business

Pure business or commercial postal codes without residents, or new postal codes without data.





26.2

CITY OF
BRANTFORD