

City of Driggs

2010 Retail Trade Area Analysis

Introduction

The 2010 Retail Trade Area Analysis for the City of Driggs compares supply and demand for a variety of retail sectors and gives information on the extent the Driggs community is capturing potential retail sales. When demand exceeds supply, a retail gap exists for that retail category. When demand is less than supply a retail surplus exist for that retail category.

Retail gaps indicate that retail business is leaking to other communities and that because the supply is not meeting demand, consumers are going elsewhere to other cities or the internet to meet their needs. This represents a retail opportunity for the City of Driggs to attract businesses to help fill that gap. On the other hand, a retail surplus indicates that consumers are traveling to the City of Driggs in order to purchase items in surplus categories. This is a result of an area becoming well known for certain retail sectors which attracts consumers and pulls them from outside the retail trade area.

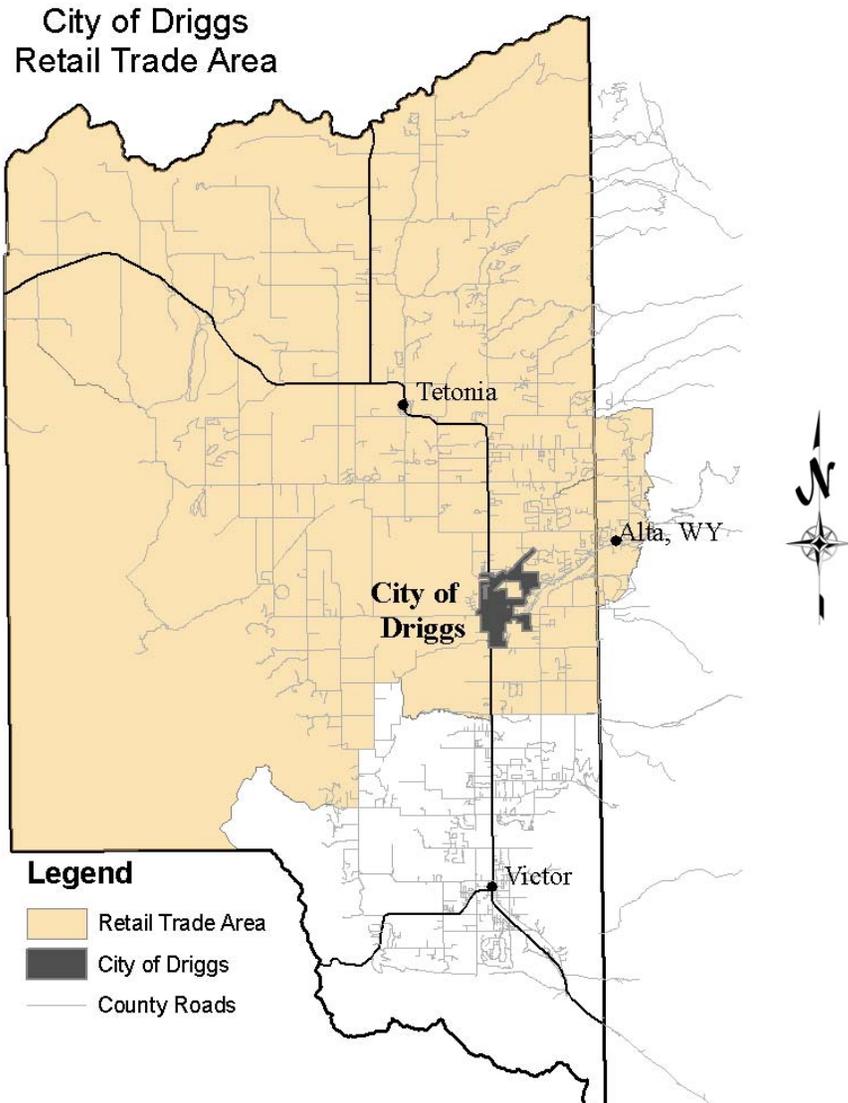
The Driggs resort tax data was analyzed for seasonality and the impact of tourism on retail trade. All business sectors were analyzed together as a group as well as the categories most likely affected by tourism such as restaurants, grocery stores, and beverage stores.

Data Sources

Retail demand is based on the 2010 US Census Bureau population and demographic information and the Consumer Expenditure (CE) Survey compiled by the US Bureau of Labor Statistics. The CE survey provides information on the buying habits of American consumers, including data on their expenditures, income, and consumer unit (families and single consumers) characteristics¹. The 2010 Expenditure Table based on region of residence was used since this table most closely represented the Driggs demographic with respect to age, sex and race. The consumer demand for the Driggs retail trade area was adjusted based on average household income. The retail service area for Driggs includes the US Census Minor Civil Divisions of Driggs and Tetonia as well as the town of Alta, Wyoming (Figure 1). Tetonia and Alta were included since there are no significant retail stores within in these two towns located 4 to 8 miles from Driggs.

¹ US Department of Labor, Bureau of Labor Statistics. <http://www.bls.gov/cex/>

Figure 1 – City of Driggs Retail Trade Area
(no scale)



Retail supply is based on the 2010 Driggs Resort Tax payments² from all the retail stores located within the City of Driggs. Total sales were calculated based on the Resort Tax rate of 0.5%. Retail stores were categorized by the primary merchandise sold in each store. In some cases, retail sales were split into multiple categories based on sales estimates obtained from the store owner.

² City of Driggs

Results

Retail Analysis

The results of the 2010 Driggs Retail Trade Area Analysis are included in Table 1. The results show retail gaps in some categories and retail surplus in others. In general, tourist based businesses had retail surplus indicating that consumers are traveling to Driggs. This includes the categories of grocery stores and sporting goods stores. Building material and vehicle repair also are surplus categories likely due to the high amount of construction in the area and lack of motor vehicle dealers which encourages people to repair their cars instead of buying new ones. Categories where the largest retail gaps exist include new and used motor vehicles, furniture and home furnishings, electronics, health and personal care, clothing and clothing accessories, general merchandise, and foodservice and drinking. Summary sheets of the gap categories are included in the Appendix.

Table 1 – 2010 Driggs Retail Trade Area Analysis

	2010 Demand (Consumer Expenditures)	2010 Supply (Retail Sales)	Opportunity Gap/Surplus
New and Used Motor Vehicle Dealers	\$ 4,867,574	\$ 37,044	4,830,530
Vehicle Repair & Parts Shops	\$ 1,538,713	\$ 1,731,196	-192,483
Furniture and Home Furnishings Stores	\$ 950,850	\$ 344,264	606,586
Appliance Stores & Misc Housewares	\$ 632,129	\$ 322,822	309,308
Electronics, Audio Visual Equipment Stores	\$ 1,675,055	\$ 108,220	1,566,835
Building Material, Garden Equip Stores	\$ 2,570,964	\$ 3,212,508	-641,544
Grocery Stores	\$ 6,930,406	\$ 17,424,188	-10,493,782
Alcoholic Beverage Stores	\$ 871,170	\$ 287,536	583,634
Health and Personal Care Stores	\$ 1,495,036	\$ 447,096	1,047,940
Clothing and Clothing Accessories Stores	\$ 3,420,936	\$ 927,638	2,493,298
Hobby, Pet, Music Stores	\$ 1,042,925	\$ 695,696	347,229
Book Stores	\$ 196,544	\$ 74,232	122,312
Sporting Goods Stores	\$ 1,830,874	\$ 2,055,764	-224,890
General Merchandise Stores	\$ 4,575,413	\$ 1,114,014	3,461,399
Miscellaneous Store Retailers	\$ 239,041	\$ 246,722	-7,681
Foodservice and Drinking Places	\$ 5,119,009	\$ 4,119,408	999,601
Total Retail Sales Incl Eating and Drinking Places	\$ 37,956,641	\$ 33,148,348	4,808,293

It is important to remember that a retail trade area analysis is based on averages and there are factors that can cause retail potential to deviate from typical market conditions. Examples relevant to the Driggs area include the proximity to large retail outlets in Idaho Falls and a large portion of the population that has a lower demand for goods such as alcoholic beverages or the increased demand for sporting goods due to active lifestyles. Although the proximity of Driggs to the large box stores in Idaho Falls could be a consideration for some categories, it is likely that many residents would shop locally if the same selection, quality, and price were available. This analysis can serve as a

general guideline for the recruitment of retail merchants for categories for which the demands of the community are not currently being met.

Impact of Seasonality and Tourism

Driggs resort tax data was analyzed for seasonality and tourism impact. Graphs of resort tax collected for the years 2006 to 2011 are shown in Figures 2 to 5 of the Appendix. Restaurant sales showed the most consistent increases due to tourist traffic which is highest during the summer months with an average increase in sales of 54% during July and August. Alcoholic beverage stores and grocery stores showed a similar increase in sales in July and August but also experience an increase in December likely due to holiday tourist traffic and local celebrations. Alcoholic beverage stores showed the largest increase of 74% in December compared to average sales over the rest of the year. Grocery stores show an approximate 33% increase in sales during July and August and an 18% increase in sales in December compared to average sales over the rest of the year. When all retail sectors are considered, there is an approximate 31% increase in sales during June, July and August.

Appendix

Figure 2 – Yearly Retail Fluctuation for all Driggs Businesses

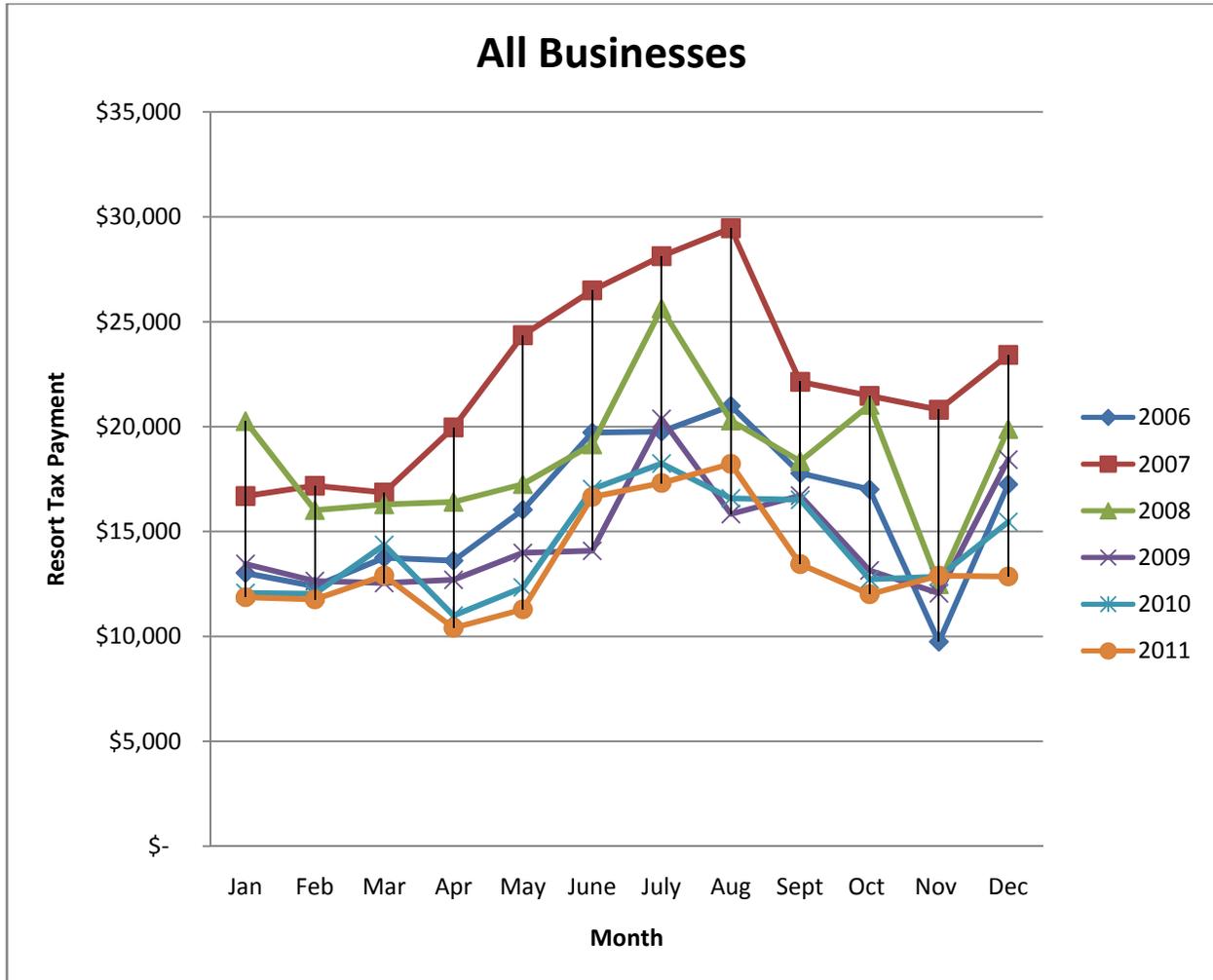


Figure 3 – Yearly Retail Fluctuations for Restaurants and Bars

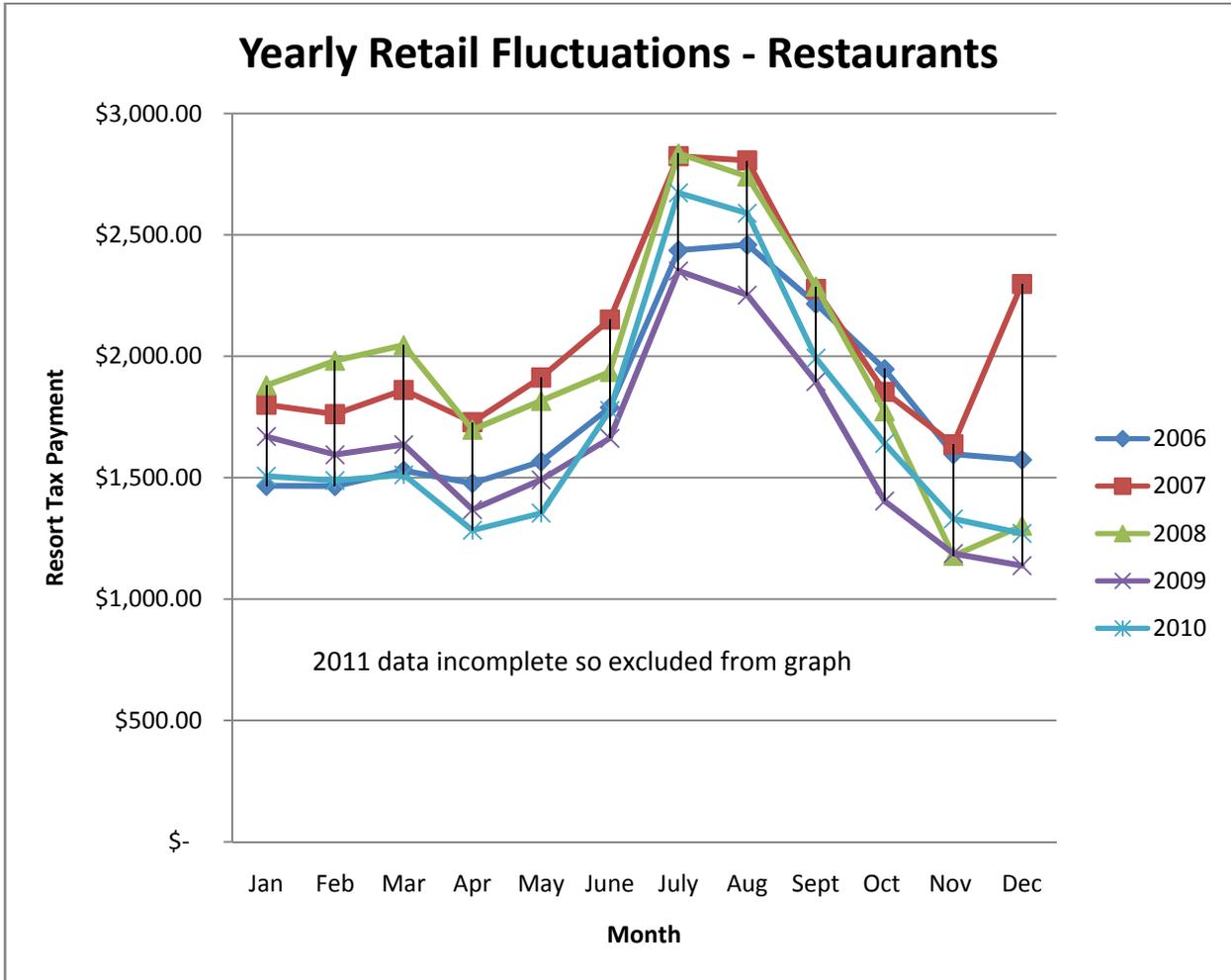


Figure 4 – Yearly Retail Fluctuations for Grocery Stores

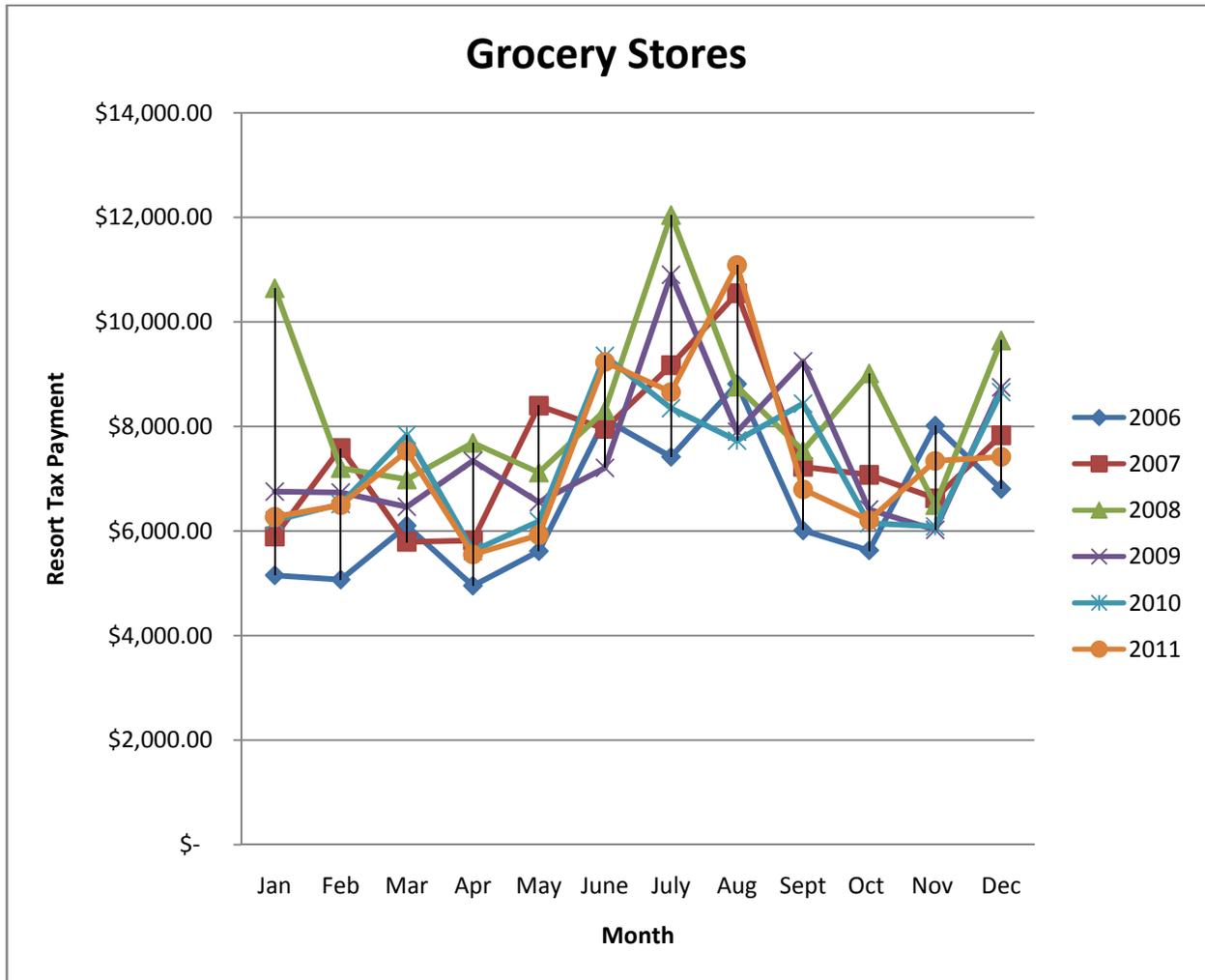
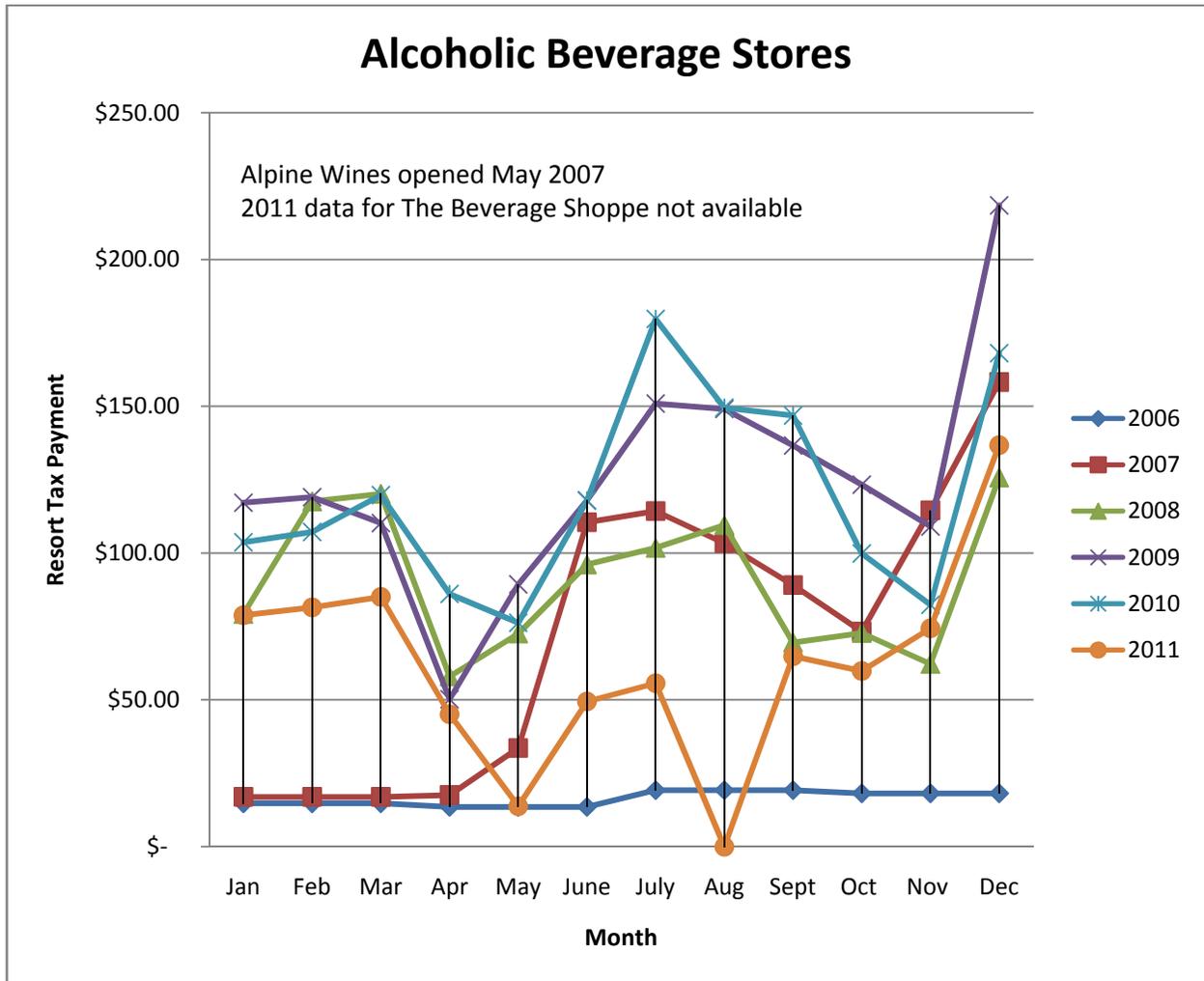


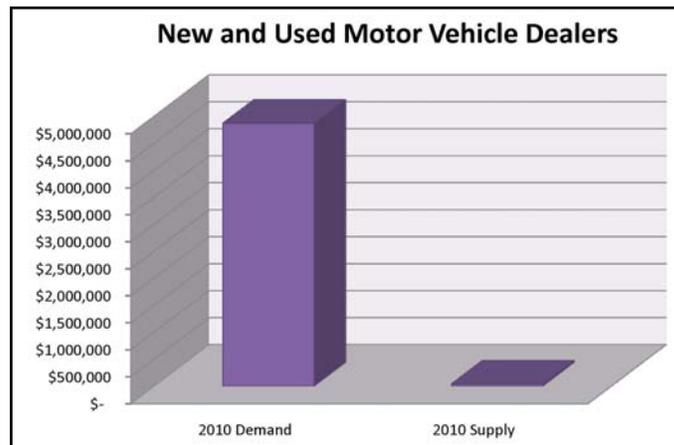
Figure 5 – Yearly Retail Fluctuations for Alcoholic Beverage Stores



BUSINESS OPPORTUNITY

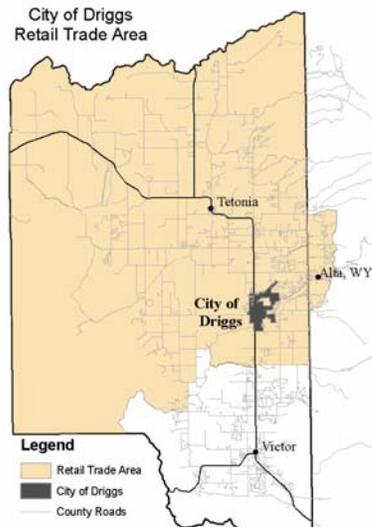
NEW & USED MOTOR VEHICLES

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$4,830,000 IN NEW AND USED MOTOR VEHICLE SALES ANNUALLY.



Retail leakage occurs when actual sales within a retail trade area are less than its potential sales. This reflects members of the community spending money outside of that community because the existing retail sectors are not meeting the local demand.

Retail surplus, on the other hand, occurs when actual sales within a retail trade area are greater than its potential sales. This reflects members outside of a community spending money inside that community.



Sources:
The demand data is derived from the 2010 Consumer Expenditure Survey (CE Survey), which is fielded by the U.S. Bureau of Labor Statistics (BLS).

The supply data is derived from 2010 City of Driggs resort tax and supplemented with local retail reports.

Demographic data from US Census Bureau.

Prepared by Harmony Design & Engineering, 2012

City of Driggs Retail Trade Area Demographics

Population	5,521
Avg. Income	\$56,371
Median Age	35 yrs
Education	
High School or higher	83%
BS Degree or higher	26%
Ethnicity	
Non-Hispanic	84%
Hispanic	16%

For more information contact:

Mayor Dan Powers
City of Driggs
60 S. Main Street
PO Box 48
Driggs, ID 83422

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INDUSTRY DESCRIPTION

Industries in the New and Used Motor Vehicle Dealers subsector retail motor vehicles and parts from fixed point-of-sale locations. Establishments in this subsector typically operate from a showroom and/or an open lot where the vehicles are on

display. The display of vehicles and the related parts require little by way of display equipment. The personnel generally include both the sales and sales support staff familiar with the requirements for registering and financing a vehicle as well as a staff of

parts experts and mechanics trained to provide repair and maintenance services for the vehicles. Motor vehicle repair and parts dealers are not included in this industry.



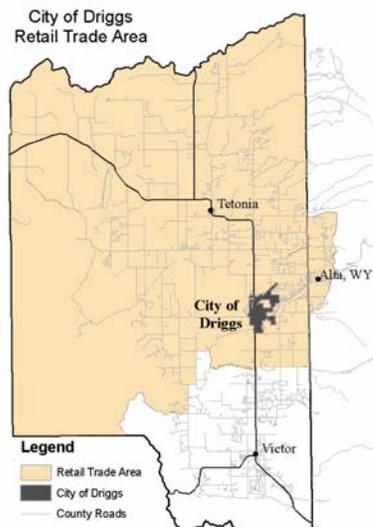
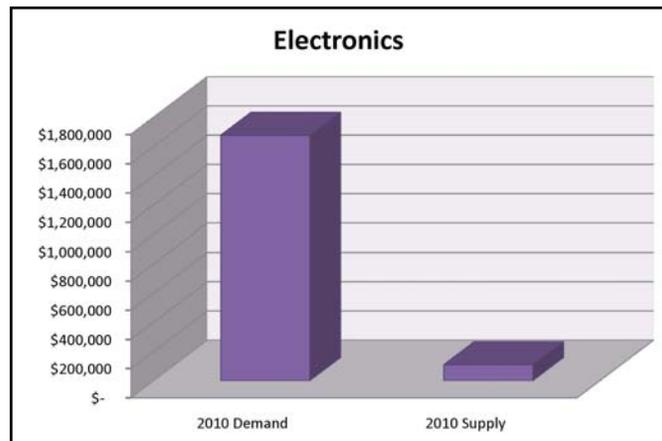
BUSINESS OPPORTUNITY

ELECTRONICS

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$1,566,000 IN ELECTRONICS SALES ANNUALLY.

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INDUSTRY DESCRIPTION

Industries in the Electronics Stores subsector retail new electronics from point-of-sale locations. Establishments in this subsector often operate from locations that have special provisions for floor displays requiring special electrical capacity to accommodate

the proper demonstration of the products. The staff includes sales personnel knowledgeable in the characteristics and warranties of the line of goods retailed and may also include trained repair persons to handle the maintenance and repair of the elec-

tronic equipment. Store types include radio, television, computer, camera, and other electronic stores.



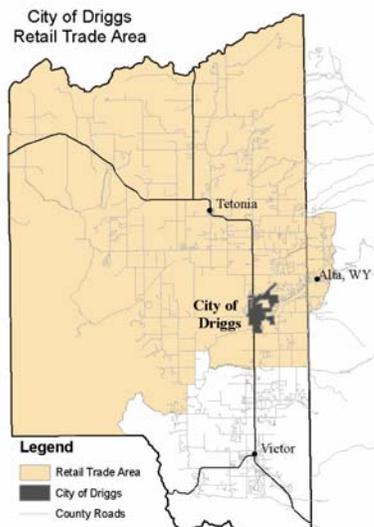
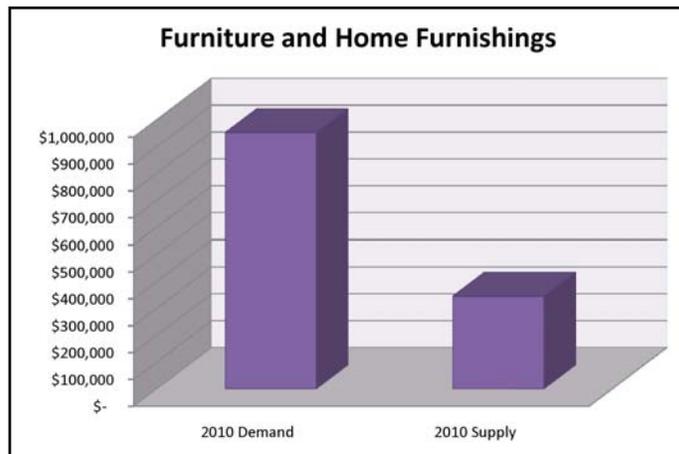
BUSINESS OPPORTUNITY

FURNITURE & FURNISHINGS

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$606,000 IN FURNITURE AND HOME FURNISHING SALES ANNUALLY.

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INDUSTRY DESCRIPTION

Industries in the Furniture and Home Furnishings Stores subsector sell new furniture and home furnishings from fixed point-of-sale locations. Establishments in this subsector usually operate from showrooms and have substantial areas for the presen-

tation of their products. Many offer interior decorating services in addition to the sale of products. Products include new furniture, such as household furniture (e.g., baby furniture, box springs and mattresses) and outdoor furniture; office furniture (except

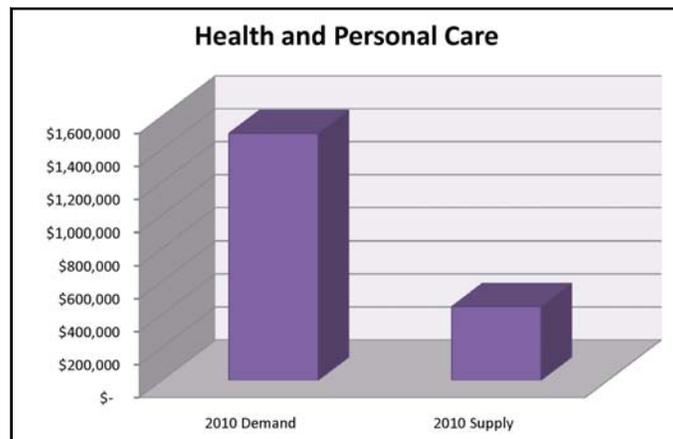
those sold in combination with office supplies and equipment); and/or furniture sold in combination with major appliances, home electronics, home furnishings, or floor coverings.



BUSINESS OPPORTUNITY

HEALTH & PERSONAL CARE

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$1,047,000 IN HEALTH AND PERSONAL CARE SALES ANNUALLY.



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INDUSTRY DESCRIPTION

Industries in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and per-

sonal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals engaged in retailing, advising customers, and/or fitting the product sold to the customer's needs.

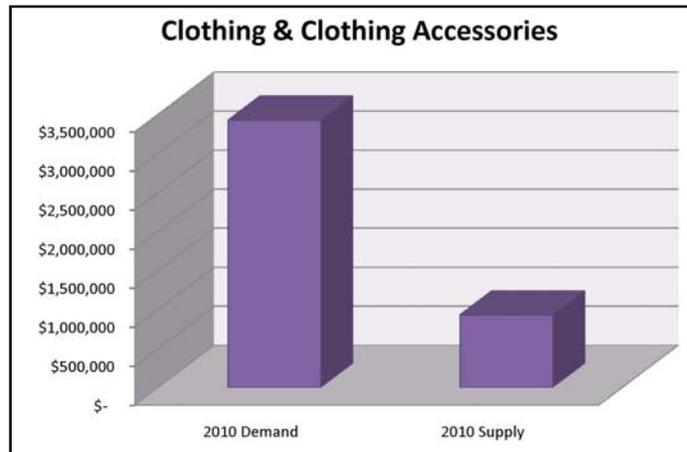
Store categories include pharmacies and drugs stores; cosmetic, beauty supply and perfume stores; optical goods stores; health supplements stores; and other health and personal care stores.



BUSINESS OPPORTUNITY

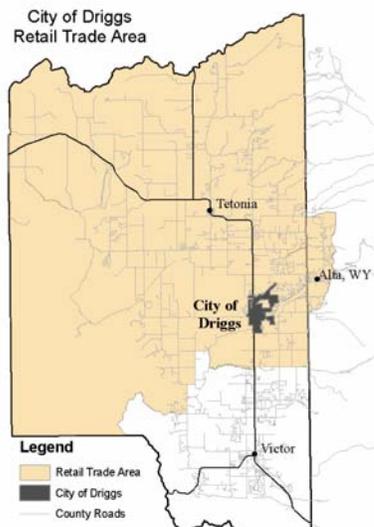
CLOTHING & ACCESSORIES

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$2,493,000 IN CLOTHING AND CLOTHING ACCESSORY SALES ANNUALLY.



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Prepared by Harmony Design & Engineering, 2012

INDUSTRY DESCRIPTION

Industries in the Clothing and Clothing Accessories Stores subsector retail new clothing and clothing accessories merchandise from fixed point-of-sale locations. Establishments in this subsector have similar display equipment and staff that is knowledgeable

regarding fashion trends and the proper match of styles, colors, and combinations of clothing and accessories to the characteristics and tastes of the customer. Stores include women's, men's, children's, and infants's clothing stores; clothing accessory

stores; shoe stores; and jewelry, luggage and leather goods stores.

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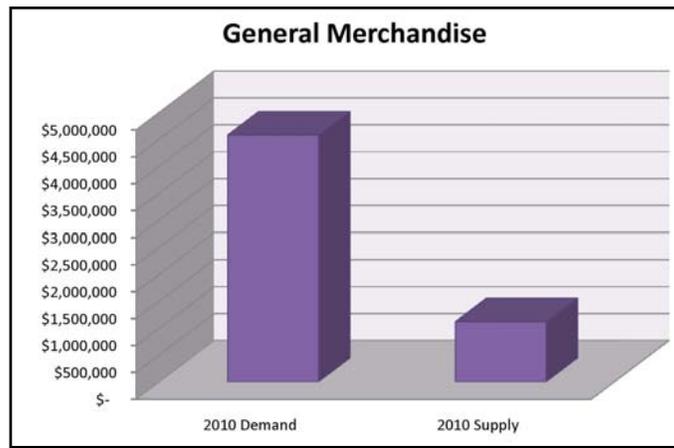
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BUSINESS OPPORTUNITY

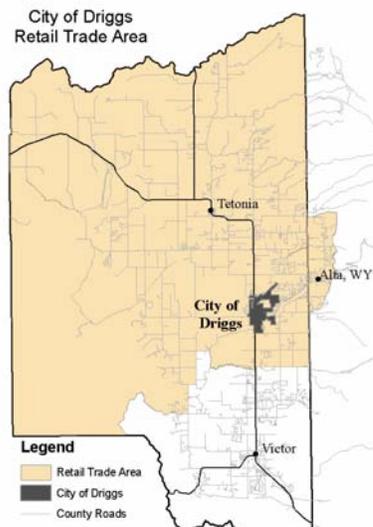
GENERAL MERCHANDISE

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$3,461,000 IN GENERAL MERCHANDISE SALES ANNUALLY.



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INDUSTRY DESCRIPTION

Industries in the General Merchandise Stores subsector retail new general merchandise from fixed point-of-sale locations. Establishments in this subsector are unique in that they have the equipment and staff capable of retailing a large variety of goods from a

single location. Stores in this category include department stores; discount department stores; warehouse clubs and supercenters; and other general merchandise stores. These establishments retail a general line of new merchandise, such as apparel, auto-

otive parts, dry goods, hardware, groceries, housewares or home furnishings, and other lines in limited amounts, with none of the lines predominating.



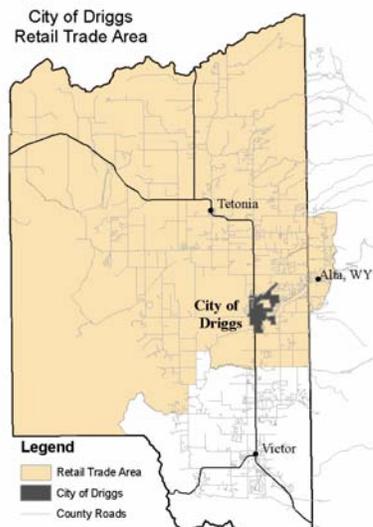
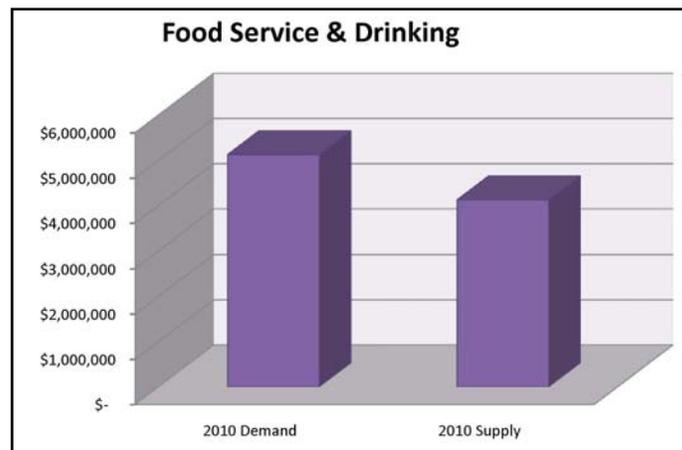
BUSINESS OPPORTUNITY

FOOD SERVICE & DRINKING

DRIGGS, IDAHO IS CURRENTLY LEAKING APPROXIMATELY \$999,000 IN FOOD SERVICE AND DRINKING SALES ANNUALLY.

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INDUSTRY DESCRIPTION

Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some pro-

vide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. The industries in the subsector are grouped based on the type and level of services

provided. The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

