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askew’s foods versus wal-mart: sustainable versus low-cost

Robert Malach and Sandra Malach wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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It was late October 2011, and David Askew, chief executive officer (CEO) of the highly successful Askew’s Foods Inc. (Askew’s) grocery chain in British Columbia, Canada, needed to prepare for an upcoming board meeting in two weeks’ time. A decision was pending about what style of new store to build, but first, the board would have to develop a clear vision regarding the impact of two important external factors.

First, the company’s financial institution, the Salmon Arm Savings and Credit Union (SASCU), was in the final stages of approving funding for Askew’s new store, but the bank was limited in terms of the funding it could provide. An additional consideration involved the fact that SASCU was planning to build a new branch of its own to go alongside the newly built Askew’s store and was considering buying part of the new property. The second factor involved an application by Wal-Mart Stores, Inc. (Wal-Mart) to build a supercentre, including a full supermarket, on the outskirts of Salmon Arm, a development project that the Askew family knew was likely to be approved. These two situations would exert key influences on the board’s decision of whether to go ahead with David’s vision for a new state-of-the-art store or, instead, opt to build a less expensive standard box store.

While the board had already approved, in principle, the building of a new Askew’s store on an uptown site, the type of building would affect the amount needed for financing. With the support of his board, Askew had commissioned a shopping centre and store design that would offer the public an aesthetically pleasing, environmentally friendly community building and a state-of-the-art grocery. The shopping centre itself would be modelled after the new Park Royal Shopping Centre in West Vancouver, which was an attractive, upscale, multi-faceted shopping centre. Askew’s would stand out as an innovative leader in terms of its use of natural light and local materials, and it would incorporate departments and facilities (e.g., a wellness centre, a florist, and a deli café) that would usually be found only in the most high-end, big-city supermarkets.

While David knew that his proposed costs for the new store were modest in comparison to elite city stores, the site presented some challenges and the estimates were substantially higher than he had expected. He had known his costs would be up to one-third higher than those of a standard box store, but the figures he would be presenting to the board had turned out to be 1.5 to two times the cost of a standard supermarket. The board and its banker would be well aware that the increased cost could take considerable time to recover, given that Askew’s gross returns, like those of the rest of the industry, were probably in the 1 per cent to 2.5 per cent range.[[1]](#footnote-1)

David’s sister and brother-in-law, family co-owners of Askew’s, had witnessed the negative effect of big-box development on the local businesses in the family’s hometown of Chilliwack. David knew they were concerned about Wal-Mart’s potential impact on the viability of Askew’s business and the potential impact that the proposed building plans would have on Askew’s Salmon Arm operations.

**COMPANY BACKGROUND**

**History**

Dick Askew became a grocery pioneer in the sparsely populated interior of British Columbia when he took over a meat and provision business in 1929 to start what went on to become a third-generation family business, Askew’s Foods. During the 1930s and 1940s, the business gradually evolved to meet the needs of its market by providing mail order, rural home delivery, frozen food lockers, and groceries. Askew’s even developed its own special recipe for smoked ham and bacon. At the time of Dick’s death in 1951, the business had three locations in the B.C. interior: Kamloops, Vernon, and Salmon Arm. Shortly thereafter, the Vernon and Kamloops locations were closed and the eldest son, Lloyd, took over as general manager of the company.

Lloyd was energetic and ambitious, and when a Super Value store became Salmon Arm’s first-ever supermarket in the late fifties, he could see that Askew’s traditional main-street grocery was going to have to make some changes in order to compete, so he began searching for a site on which to build his own supermarket. In the mid-1960s, Canadian Pacific Railway created a commercial real estate division, Marathon Realty, to develop vacant railway land. Marathon Realty developed a small downtown mall, where the new 8,000-square-foot[[2]](#footnote-2) Askew’s store would become the anchor tenant. Working with his major supplier, W. H. Malkin Company (a Weston affiliate), Lloyd designed what would become the downtown Askew’s store, which included a wall of south-facing windows to ensure a bright and pleasant shopping environment.

In 1967, on the night of the sod-turning ceremony for the Marathon development, a fire broke out in the Montebello Hotel, a large wooden structure not far from Askew’s new downtown store and a competitor’s store, the Overwaitea Grocery Store. The fire destroyed the hotel and the Overwaitea store. As Lloyd helped to fight the fire in the middle of the night, putting out embers on the roof of his own business, he may well have realized that his new venture had just received an unforeseeable boost. Over time, the success of the Askew’s downtown store led to two expansions that doubled the size of the operation. Askew’s continued to grow under Lloyd’s astute leadership, opening a second store in Armstrong in 1975.

In 1988, Lloyd’s daughter, Karen Angove, returned to Salmon Arm to join the family business and gain an understanding of its operations from her father. When Lloyd’s health problems forced his retirement in the early 1990s, Karen assumed the role of CEO and went on to expand the company by partnering with experienced grocer Ron Daniel to open a separate Askew’s franchise store in Sicamous, 30 kilometres north-east of Salmon Arm.

While the downtown Salmon Arm store was very successful, Karen believed it had reached capacity, so when the British Columbia Building Corporation put a parcel of land up for sale on the east side of Salmon Arm, adjacent to the TransCanada Highway, Karen felt that the property would be a great site for Askew’s to build a new store in the future, since the area represented the centre of the population base for Salmon Arm. On this basis, she decided that Askew’s would purchase the land. In 2007, Karen retired and her brother David assumed the role of CEO and general manager.

David Askew: Chief Executive Officer

David graduated from the University of British Columbia in 1968 with a degree in chemical engineering. He worked in Whitby, Ontario, for DuPont of Canada, commuting daily from Toronto. David worked at DuPont for six years but eventually found that he did not enjoy the suburban commuter lifestyle; he wanted a career change. He explored various options and, for the next 15 years, was employed as a career counsellor at the University of Toronto before the desire for yet another change took him back to British Columbia. David took a job with the British Columbia Energy Council as its Director of Public Involvement, a position that allowed him to capitalize on his interest in sustainability by developing recommendations for a sustainable energy strategy for British Columbia. He then worked for British Columbia’s provincial government with the Ministry of Jobs, Tourism and Skills Training Responsible for Labour. David took early retirement and returned to Salmon Arm to assume the role of CEO and general manager of Askew’s. David saw his role as continuing the business with an ongoing social justice perspective.

David’s attitudes towards the interaction between business, society, and environment were strongly influenced by his father’s perspectives. David had worked in the business since he was a boy, bagging potatoes at a penny a pound. He adopted his father Lloyd’s attitude with respect to sustainability and the innovative use of technology to reduce costs and increase efficiencies. David’s father took a long-term view, understanding how increased expenditures on efficient technologies were worth the time it took to recover those initially higher costs. For example, early adoption of heat recovery systems enabled Askew’s to capture what had been waste heat from the refrigeration and freezer units and use it as a heating source for the store in the winter. The extra expense of the heat recovery system had been more than justified by the resulting savings in the heating bills, especially since the recovery system was still reducing operating costs 40 years later. Lloyd also passed on the importance of recycling by using BC Liquor Stores boxes for packing customers’ groceries. One of David’s first jobs was to remove the dividers from the boxes that his father had picked up from the liquor store.

In addition to sharing his father’s interests in efficiency and recycling, David shared his passion for the support of local businesses. Lloyd bought everything he could locally. In contrast to his father, Dick, who had bought a new truck every year, Lloyd bought used trucks, explaining that he preferred to spend his money in local repair shops rather than supporting automotive manufacturing plants located elsewhere. “I will never buy something outside of town that I can get from a local business,” said Lloyd. “How can we expect other local business to support us, if we don’t support them?” These influences and experiences had a strong impact on David’s life and career.

**Corporate Culture and Strategy**

As a small, independent, locally owned grocer, Askew’s had developed strategies to deal with competition from larger grocery chains like Safeway and Overwaitea Foods (and its sister chain Save-On-Foods). Askew’s created a corporate culture that emphasized three pillars upon which to build and maintain a foundation for customer loyalty in this marketplace: Providing value to the customer, supporting the community, and maintaining a healthy corporate culture.

Askew’s provided value to its customers by offering a wide variety of high-quality goods at fair and competitive prices. As well, the store was very attractive, with a south wall that was completely covered in windows. Customers liked shopping in the store because it was inviting and full of natural light. Beyond the customer shopping experience, Askew’s management team worked hard to contribute to the community’s well-being, and the store was well known for its ongoing support of community events and organizations. It was also recognized for giving preferential treatment to local food growers and service suppliers. Finally, Askew’s valued and cared for its employees, properly rewarding their loyalty and their ongoing contributions to the success of the business. In combination, these strategies unfailingly generated positive customer appreciation and a happy and loyal workforce.

David was determined to maintain the tradition of a community-minded and mutually sustainable business model, and for that reason, he made sure that Askew’s continued to buy and sell local products. For many years, the store operated its own meat-packing plant, where it processed local livestock for sale at both wholesale and retail levels. However, government regulation made it difficult for these small meat plants to operate, thereby restricting supply. Askew’s locally sourced products included dairy, berries, fruit, vegetables (e.g., apples and corn), honey, baked goods, poultry, and locally roasted coffee. Askew’s policy of paying small suppliers on a weekly basis assisted those businesses to alleviate any potential cash flow issues. David was committed to Askew’s policy of selling local food to local people, from stores designed for sustainability and located near the areas where the majority of residents lived.

David knew that his customers understood Askew’s competitive advantage. Typical customer comments expressed appreciation for the store’s buy-local policy and reasonable prices (e.g., “I wish to commend you for bringing in the local Fraser Valley blueberries this year. They were beautiful and your price was also wonderful. Well done!”), as well as satisfaction with the high quality of the products sold (e.g., “I most often buy my meat products from you—there is always quality and the cuts are excellent.”).[[3]](#footnote-3)

The mayor of Sicamous expressed appreciation for Askew’s community support, thanking Askew’s for being a strong supporter of the local economy and community events through its donations to minor league baseball and hockey, the food bank, the Lions Club, the Cancer Society, and for its contributions to high school student bursaries and the Shuswap Community Foundation. When he ran the business, David’s father Lloyd once stated, “As this community grows and prospers, so will our businesses. I am proud of my family’s record of service to the people of Salmon Arm and area. Our progress and the community’s progress have gone hand in hand.”

David looked upon his employees as business ambassadors. The store enjoyed high employee morale and low employee turnover. Because the company had a strong policy of internal promotions, people could build a satisfying career with Askew’s, often lasting as long as 20 or 30 years. Askew’s had a bonus structure for its managers, annual pay reviews, a 100 per cent employer-paid long-term disability plan, and employee pension and benefit plans that were competitive within the industry. David believed that the compensation and benefit packages were justified by the employees’ dedication and performance and that Askew’s success was dependent on the dedication and goodwill of its employees and their efforts on behalf of the customers. For example, a grocery clerk who was promoted to the role of produce manager remarked that his working relationship with the co-managers and owners was enjoyable and that he appreciated being given the flexibility to run the department as if it were his own.

Employees frequently commented on the happy and positive relationships they shared with their fellow staff members and their customers. This healthy workplace atmosphere was also recognized by Askew’s customers. One such customer commented, “As customers, my wife and I really appreciate the friendly service and excellent quality of food consistently provided at Askew’s. I feel good when I shop at Askew’s, knowing very well that the food I feed my family is safe and nutritious. Being served by people who are happy at their jobs puts the icing on the cake.”[[4]](#footnote-4)

Along with Askew’s board of directors, David wanted to continue growing the family business in the Shuswap, Thompson, and Okanagan regions without forgetting the principles and values that had sustained the business and allowed it to remain at the same downtown location in Salmon Arm for over 40 years.

**LOCAL MARKETPLACE**

The interior of British Columbia produced many local food products: fruit, vegetables, meat, dairy, beverages, soup, baked goods, and health products. For this reason, among B.C. consumers, there was a trend to buy organically grown and, often, locally sourced goods.[[5]](#footnote-5)

David’s experience in the grocery business led him to conclude that most people purchased groceries at the store closest to their home. However, he was also aware of some outflow of grocery spending to the neighbouring markets of Vernon (60 kilometres) and Kamloops (110 kilometres), both of which had Wal-Marts (see Exhibit 1).

**The Competition**

Askew’s direct competition in Salmon Arm came from two other grocery stores, Safeway and Overwaitea Foods, the latter of which David viewed as the strongest competitor. Overwaitea Foods was a well-established B.C. grocery chain that had been launched in 1915 in New Westminster, British Columbia, and was now part of the diversified Jim Pattison Group of Vancouver. Overwaitea Foods’s strategy was to bring high-quality, locally produced, and sustainable products to market. It was planning to build a new store, operating under its Save-On-Foods brand. This store would be located in the west end of Salmon Arm, two blocks north of the highway in Piccadilly Mall, which was home to over 40 stores, including Zellers, Canadian Tire, and Sport Chek.

David perceived Safeway to be the weaker of his two competitors for the primary reason that Safeway had not reinvested in its store, which appeared dated. It did, however, have a well-established pharmacy. The Safeway store was located on the south side of the TransCanada Highway near the centre of Salmon Arm in a mall comprising a large Loblaw Companies Limited-owned warehouse store and a number of small retailers. Safeway Canada was part of the second-largest grocery chain in North America and had been established in Canada since 1929. It had positioned itself as “your neighbourhood grocery store.”

Askew’s business had been thriving in the current competitive market, but David was concerned about the effect that a powerful, non-union, low-cost competitor would have upon entering the marketplace. As early as 2007, SmartCentres had purchased a property on an environmentally sensitive floodplain situated on the outskirts of the west side of Salmon Arm, where it was rumoured the company had plans to build a Wal-Mart Supercentre.[[6]](#footnote-6) David and his board members were pleased to see an immediate response from the residents of the city, who formed the Committee for a Strong Sustainable Salmon Arm (CASSSA).[[7]](#footnote-7) CASSSA had over 800 members, and its original mandate was to block the large supermarket project. The committee was launched as a formal way to express opposition to developers building the new Wal-Mart on an environmentally sensitive location and also to protest big-box sprawl; however, the group gradually softened its stance, moving from opposing everything to being in favour of environmentally friendly development. Thus, Askew’s board had to consider the threat posed by this potential new and powerful competitor, along with the need to develop a business strategy that would allow Askew’s to thrive in an evolving competitive environment.

**Wal-Mart’s Potential Impact**

David’s research on the impact of Wal-Mart’s entry into a new geographic market indicated that supermarkets and general merchandise stores were most adversely affected, suffering business declines of 10 per cent to 40 per cent after a Wal-Mart opened in their territory.[[8]](#footnote-8) Studies indicated that the entry and growth of big-box stores had a strong negative effect on the growth and survival of nearby independent stores and small chain stores that sold the same types of goods as Wal-Mart.[[9]](#footnote-9) This finding clearly represented a concern for Askew’s, given that one of the strategies that David had in mind involved growing the company’s presence with a new state-of-the-art uptown store on the east side of Salmon Arm.

David’s research also indicated that the greater the local stores’ proximity to Wal-Mart, the more serious the impact Wal-Mart had on those businesses.[[10]](#footnote-10) If true, Wal-Mart would pose more of a threat to Askew’s existing downtown location than to the newly proposed uptown development, which was further away from the potential new Wal-Mart. Askew’s downtown store and those of its competitors were all located within 2.5 kilometres of the proposed new Wal-Mart location, while Askew’s proposed uptown development was located just over five kilometres away.

David wanted to be sure that he understood Askew’s competitive advantages relative to Wal-Mart and whether these advantages were sufficient to preserve and grow Askew’s market share. He decided to begin with a review of the company’s present corporate strategy, emphasizing its connections to the community. First, Askew’s long roster of local suppliers, all carrying unique local products, offered more choice to its customers. Second, the store carried approximately 15,000 different inventory items compared with approximately 10,000 primarily national brand name products carried by the existing competitors. And finally, Askew’s positive, long-term relationship with the community, its outstanding employee relations, its location, and its facilities relative to the competition would all have to be factored into the decision of what style of store to build on the uptown site.

**BC Liquor Store**

The downtown store was part of the Marathon Mall developed by Canadian Pacific Railway, which also had a BC Liquor Store as a tenant. It was rumoured that the liquor store would not be renewing its lease and would be moving elsewhere in the downtown area. The board was not concerned that the liquor store would move to the new Wal-Mart SmartCentre since that move was prohibited in the SmartCentre zoning as part of the local approval process. However, it remained unclear how the loss of the liquor store would affect foot traffic in Askew’s downtown store.

**THE NEW STORE**

David knew the board would need information concerning what a new Askew’s development would involve, so he consulted with architects and engineers to learn about what could be done with the proposed uptown site. The new uptown location would position Askew’s as the nearest grocer to 60 per cent of Salmon Arm’s residents.

To justify the expense of the new location, David knew he would have to preserve and enhance the strengths of the existing Askew’s brand. He had read literature on the impact of natural light on shoppers, and his research confirmed what he had seen in the downtown store—that is, shoppers were found to purchase more in well-lit surroundings. For that reason, David felt that a new store should be bright and airy.

**A Green Operation**

Given his background in sustainable energy and the community’s opposition to the environmentally unfriendly Wal-Mart option, David wanted to emphasize the Askew family tradition of energy conservation. He sought advice on the price of up-to-date heat recovery and energy-efficient heat, light, and cooling systems. Given the slope of the physical lot, he was also concerned with stormwater management. The architects and engineers came up with plans that would feature spectacular views through soaring windows on all sides and a sweeping ceiling stunningly constructed entirely of locally accessed fir. The architect and David both favoured the use of local materials as a way to uphold Askew’s tradition of buying and sourcing local goods whenever possible. Except for the regional architectural firm, Allen and Maurer Architects Ltd., which was based in Penticton, British Columbia, and some specialized engineering services, David hoped that virtually all the tradespeople, suppliers, contractors, technical services, and construction crews would be local workers.

Energy Recovery

David asked the architects to draw up plans for full energy recovery: the hot water for the in-floor heating would come entirely from waste heat recovered from Askew’s refrigeration and freezer units, and the abundance of natural light in the design would be augmented by full-spectrum lighting that was automatically regulated by an energy-saving sensor. While the initial cost per square foot of the innovative design would be significantly greater than the utilities costs of most grocery stores, a BC Hydro assessment estimated that if Askew’s chose to move forward with the architect’s plans, it could expect to save 400,000 kilowatts of electricity per year, enough to power 36 homes for the same time period.

David knew of a BC Hydro grant program that could provide up to $125,000[[11]](#footnote-11) in financial support for energy-efficient buildings and a Fortis Energy grant program that provided financial incentives for new businesses that were building with energy-efficient boilers. David was convinced that it made sense to invest in energy-intensive infrastructure right away, while energy was relatively cheap, in order to keep costs low in the future as energy prices rose. “That’s the point of sustainability,” he commented. “It’s about looking into the future and acting responsibly and seeing that an investment today can pay off in many ways down the road. We seem to always be looking only at the immediate cost, not the long-term environmental [costs] or even business costs.”

As an example, David pointed to research that showed how, compared to their more wasteful counterparts, sustainable commercial buildings had lower vacancy rates, higher rental incomes, increased property values, and happier, more productive employees. The engineers had projected that by using night shades on the coolers along with a heat recovery system, they could heat the whole store with in-floor heating simply by using heat that had been recovered from the refrigeration system. Under David’s direction, the architects and engineers were also able to design the building and property to recover and store stormwater to meet the property’s irrigation needs. Almost all of the rainwater that fell on the building site would remain on the site, just as it had before development.

**A Focus on Community**

If Askew’s moved forward with its plans for building on the uptown site, David hoped the new store would be a model of green practices and sustainable development. He wanted to position the uptown plan as part of a mixed-use, community-focused venture that incorporated living, shopping, and socializing in the same location. With that goal in mind, David commissioned architectural plans to show how the rest of the uptown property could be developed. His sister Karen, the previous Askew’s CEO, was interested in early childhood education, so the design included plans for a daycare on the property. There were plans for apartments and a seniors’ residence, as well as other commercial tenants. Considering the property’s close proximity to Salmon Arm’s largest concentration of relatively affluent residents, David believed the new development could become a vibrant community centre for area residents. Consistent with that vision, David saw the importance of a place for people to visit, so he asked the architect to design the new store to include new features like a deli and coffee shop, an in-store bakery, a pharmacy, two outside plazas with water features, and a wellness centre with pharmacists on staff who could serve both conventional and holistic medical needs.

**Partnering with Salmon Arm Savings and Credit Union**

Askew’s banker, SASCU, liked the vision for the new building and expressed an interest in locating a new branch of its own office at the uptown location if Askew’s decided to proceed with its plans to build a new store there. In that event, SASCU was interested in negotiating to buy part of the property and would then develop plans for an environmentally sensitive design for its own office, one that would complement David’s vision. The banker, however, could lend only up to 75 per cent of what a conventional store would cost, and David’s grand vision would cost considerably more than that of a conventional store at the new location.

**David’s Vision**

David hoped he could persuade the board to incorporate certain aspects of the downtown store into the plans for the uptown location, thereby carrying forward some of the things that had been successful for Askew’s in the past. Specifically, David wanted a bright store with abundant natural light and a new state-of-the-art system that could recover waste energy that had the potential to provide heat and hot water to the new store, with energy left over to share with a new Salmon Arm Savings and Credit Union office building that was planned for the new site.

His past experience with the British Columbia Energy Council had led David to believe that the new efficiencies in his environmentally sensitive design would qualify for a BC Hydro construction grant. The proposal to BC Hydro would be based on an energy study that would verify the estimated energy savings. This grant would offset some of the concerns the board was certain to have about the higher cost of David’s environmentally sensitive and sustainable design proposal.

The unavoidable bottom line was that this grand vision would push the cost of a new store to 1.5 or even two times the cost of a standard box store, but David was passionate about his state-of-the-art concept. He had envisioned something sustainable, efficient, environmentally friendly, and community-centred—in other words, a showcase for Askew’s long-standing green philosophy and a venture that would become part of the family’s legacy in the community.

David knew he had to prepare for the board’s pushback on the cost. The costs of carrying the existing store and a new one had to be considered, especially since David’s mother, who had recently passed away, had been opposed to closing the downtown store. The downtown store was her husband’s legacy, not to mention the preferred shopping location for his mother and her friends. David’s mother had been outspoken about the importance of providing stability for the long-serving, dedicated employees and customers of the company at the downtown location.

**CONCLUSION**

**Board Meeting: Late October 2011**

For Askew’s, the issue of whether to develop the uptown location was complicated by SmartCentres (the Wal-Mart mall developer) obtaining support for a scaled-back plan for Salmon Arm. On May 21, 2010, SmartCentres unveiled the scaled-back plan for its Salmon Arm shopping mall, with less parking and less retail space; the total developed area would be just 21 acres, a substantially smaller footprint than the original 38-acre layout. The proposal included some extras—a walking trail, on-site stormwater treatment, landscaping, and a payment to the city for unspecified projects—in exchange for future rezoning flexibility. The scaled back project was slated for completion by 2015.[[12]](#footnote-12)

With the scaled back proposal having received approval, David had to consider how much the arrival of the Wal-Mart retail giant, with its low-cost economies of scale, national supply chains, and non-union work environment, would alter the local grocery marketplace. Would the community continue to support a locally owned, community-sourced, socially responsible, environmentally sensitive grocery business when it had access to a lower cost national chain situated in a shopping mall?

Askew’s board would have to consider whether the CEO’s recommendation for the construction of an expensive but aesthetically pleasing, environmentally sustainable community building and state-of-the-art food merchandising store and community centre was justified, given the risks and uncertainties. David planned to recommend his vision, but he knew the relative merits of developing a less expensive, standard box strip mall would receive serious consideration from his board, given the potential impact that the approval of the Wal-Mart development would have on Askew’s bottom line.

Under the pressure of financing deadlines, Askew’s board would have to make a final decision. What would be the best alternative for Askew’s in this new business environment? Should the board give its approval to move forward with David’s vision of building a state-of-the-art, environmentally sensitive and sustainable store? Or, considering Wal-Mart’s confirmed entrance into the Salmon Arm grocery business, should the board proceed with caution and build a more traditional big-box store?

Exhibit 1: Salmon Arm—The Market

Salmon Arm was located on the TransCanada Highway mid-way between Calgary, Alberta, and Vancouver, British Columbia. It was situated on Shuswap Lake, a popular Western Canadian recreational area. Salmon Arm had mild winters (average low temperature of −2.2 Celsius in December) and sunny summer days (average high temperature of 28 Celsius in July). For this reason, many families from both Alberta and British Columbia vacationed in the area, staying in cottages, hotels, or campgrounds.

The Statistics Canada Census data for 2006 indicated the population for Salmon Arm was 16,012. The population grew 7.2 per cent from 2001 to 2006, and that growth trend continued. The 2011 Census indicated that the total market size had grown to 44,339. In terms of age, 39 per cent of Salmon Arm’s population was over 55, 19 per cent was between 25 and 44, and 26 per cent was under 24. Salmon Arm’s population consisted of significantly more seniors over 65 (24 per cent) compared to British Columbia (18 per cent).

The level of education for Salmon Arm residents showed that 49 per cent of them had a post-secondary certificate or degree, 26 per cent had a high school diploma or equivalent, and 25 per cent had no certificate, diploma, or degree.

As of 2011, the city’s median household income was $46,160, which was significantly below the provincial median of $52,709.

The interior of British Columbia was the source of many local products: fruit, vegetables, meat, dairy, beverages, soup, baked goods, and health products. For this reason, among B.C. consumers, there was a trend to buy local. In 2006, the B.C. organic sector was almost double the national average for pre-packaged grocery items sold in mainstream retail stores.

Source: Compiled by the authors from the Salmon Arm Economic Development Society, accessed June 28, 2017, www.saeds.ca; Shauna MacKinnon, “The BC Organic Market, Growth, Trends & Opportunities,” Canada Organic Trade Association, April 2013, 21, accessed March 29, 2017, www.certifiedorganic.bc.ca/docs/BC%20Organic%20Market% 20Report%202013.pdf.

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9. Ibid. [↑](#footnote-ref-9)
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11. All currency amounts are in CA$ unless otherwise specified. [↑](#footnote-ref-11)
12. Lorinc, op. cit. [↑](#footnote-ref-12)