RETAIL TRADE AREA PERFORMANCE
SPokane REGION
2010 – 2013

Prepared by Brett J. Lucas
Business/Economic Geographer – Spokane, WA
Introduction

- Retail sales within a community are the result of overall economic activity in the region.
- Retailing often serves as an indicator of community vigor and well being.
- Development of a local retailing sector addresses the economic development strategy of import substitution.
Trade Area Analysis

- Trade area analysis is an evaluation of a community retail market.
- The key to the evaluation is to determine whether a community’s retail sector is experiencing a net leakage or a net surplus of retail dollars.
Trade Area Analysis

- Eight different retail sectors evaluated
  - Building & Hardware
  - General Merchandise
  - Grocery
  - Auto & Gasoline
  - Apparel
  - Furniture
  - Lodging & Eating
  - Liquor
Trade Area Analysis

- **Retail Sales** – City and State calendar year retail sales from the Department of Revenue

- **Trade Area Capture** (TAC) – an estimate for the number of customer equivalents who purchase a specific retail category type in a given locality

\[
TAC_{ij} = \frac{RS_{ij}}{(RS_{is}) \times (PCI_i)} \frac{PPS_s}{PPS_s}
\]
Trade Area Analysis

- **Pull Factor** (PF) — calculates what proportion of the consumers that a city draws are from outside its boundaries

  \[ PF = \frac{TAC_{ij}}{POP_j} \]

- A pull factor greater than 1.0 means that a city is attracting consumers outside the local population
Total Taxable Sales

Share Of Total Taxable Retail Sales - 2010-2013

Annual Percent Change In Total Taxable Retail Sales - 2010-2013

- Airway Heights
- Cheney
- Deer Park
- Liberty Lake
- Medical Lake
- Millwood
- Spokane
- Spokane Valley

2010-11 2011-12 2012-13

- Airway Heights
- Cheney
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- Spokane
- Spokane Valley
Building & Hardware

Includes: lumber, building materials, paint, glass, wallpaper, nursery stock, and lawn/garden supplies
Building & Hardware

Taxable Retail Sales - 2010-2013

Retail Surplus/Leakage - 2013
Building & Hardware – TAC
Building & Hardware – PF
Includes: dry goods, apparel and accessories, home furnishings, small wares, hardware and food
General Merchandise

Taxable Retail Sales - 2010-2013
General Merchandise

Retail Surplus/Leakage - 2013
General Merchandise

[Graphs showing taxable retail sales and retail surplus/leakage for General Merchandise from 2010 to 2013]
General Merchandise – TAC
Includes: grocery stores, meat & fish markets, fruit & vegetable stores, confectionary stores, dairy retail, bakeries, coffee/tea stores, and health food
Grocery

Trade Area Capture - 2010-2013

Pull Factor - 2010-2013
Grocery – TAC
Grocery – PF
Automotive Dealers & Gasoline Service Stations

**Includes:** dealers selling new and used automobiles, boats, RV’s, trailers, motorcycles, parts & accessories, and gasoline stations
Auto & Gasoline

Taxable Retail Sales - 2010-2013
Auto-Gasoline

Retail Surplus/Leakage - 2013
Auto-Gasoline
Auto & Gasoline – TAC
Auto & Gasoline – PF
Apparel & Accessory Stores

Includes: new clothing, shoes, hats, undergarments, and related items for personal wear
Apparel – TAC
Apparel – PF
Home Furniture, Furnishings, and Equipment Stores

Includes: furniture, floor coverings, draperies, glass/chinaware, appliances, consumer electronics, computer software, and music stores
Lodging & Eating Establishments

Includes: motels, hotels, prepared food and drink for consumption on premise (i.e. restaurant), and refreshment stands
**Lodging & Eating**

### Taxable Retail Sales - 2010-2013

**Lodging-Eating**

- **$800,000,000**
- **$700,000,000**
- **$600,000,000**
- **$500,000,000**
- **$400,000,000**
- **$300,000,000**
- **$200,000,000**
- **$100,000,000**

### Retail Surplus/Leakage - 2013

**Lodging-Eating**

- **$120,000,000**
- **$100,000,000**
- **$80,000,000**
- **$60,000,000**
- **$40,000,000**
- **$20,000,000**
- **$(20,000,000)**
Lodging & Eating

Trade Area Capture - 2010-2013 Lodging-Eating

Pull Factor - 2010-2013 Lodging-Eating
Lodging & Eating

Market Share - 2013 Lodging-Eating

Potential Market Share - 2013 Lodging-Eating
Lodging & Eating – TAC
Lodging & Eating – PF
Liquor Sales

**Includes:** liquor sold for personal consumption off premise from a grocery store, liquor store or convenience store
Liquor – TAC
Liquor – PF
Conclusion

- Results from a retail trade analysis are a step in attracting local retail dollars.
- Changes in sources of income, spending patterns, and the population make-up will influence retailing in both smaller and larger communities.
- Retail leakage into Idaho will continue to be of concern to communities east of Spokane.