



Perth

Consumer Marketing Research: Non-Food Catchment Analysis

Prepared for: Planning and Economic Development, The Environment Service,
Perth & Kinross Council
St John's Shopping Centre
Volpa


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Introduction

The following report provides a summary of Perth's catchment area which will be used as the geographic baseline to analyse a large-scale consumer survey to be undertaken within Perth's central shopping area in mid-late August 2009.

The base survey data analysed as part of this report was derived from *National Survey of Local Shopping Patterns* (NSLSP) using 2008 non-food shopping patterns data for Perth. In addition, a comparison with the 1998-based non-food catchment - previously commissioned by St John's Shopping Centre - is also provided.

The key outputs of the 2008-based catchment analysis include the following:

[1] Volume

Population

Potential market (catchment population) v market size (shopping population attracted)

[2] Shopping patterns change 1998-2008

[3] Location

Broad locational profile: core v secondary v tertiary ('pull-in') catchment areas

Detailed locational profile: nine segmentation zones (i.e. sub-markets within the core/secondary catchment)

[4] Competition

Trade draw by competing centres from Perth's catchment area

[5] Demographics and consumer spend potential

Overall catchment, plus for each segmentation zone

Potential Market and Market Size

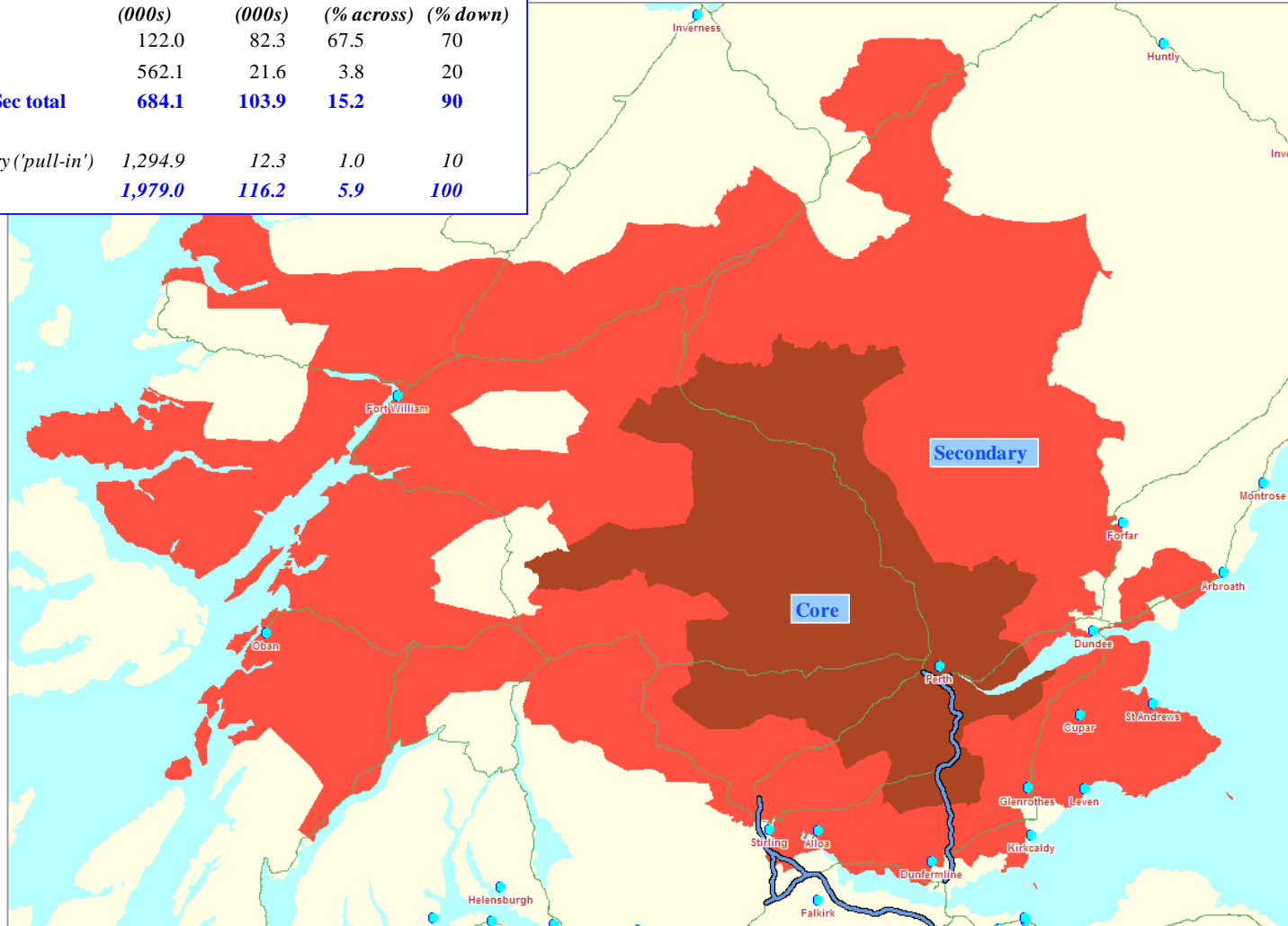
- Perth's catchment area contains a resident population (potential market) of 1.98 million.
- The core/secondary catchment area has a population of 684,100 (35% of the total catchment size). Geographically, Perth's core/secondary catchment area extends north towards Inverness, west beyond Fort William/Oban, south as far as Stirling and Dunfermline and east beyond Dundee as far as Arbroath.
- Perth attracts a regular shopping population (current market size) from its catchment area of about 116,200, which ranks 133rd nationally (out of more than 2,200 trading locations) and 11th in Scotland (out of 248 trading locations). In Scotland, Falkirk has a similar market size (shopping population of 115,600), whilst Dundee – one of Perth's major competing centres – has a market size of 240,800: more than double the market size attracted by Perth.
- 70% of Perth's regular non-food shopping population (82,300 residents) is attracted from its core catchment area, with a further 20% (21,600) from secondary and the remaining 10% (12,300) from tertiary ('pull-in') catchment areas. Perth attracts a regular shopping population of 103,900 from the core/secondary catchment combined (corresponding to 90% of its total market size).
- Within the core/secondary catchment, Perth achieves a catchment penetration of 15.2%: 67.5% in the core and 3.8% in the secondary catchment. Within the total catchment area, Perth achieves a catchment penetration of 5.9%.

Segmentation Zones

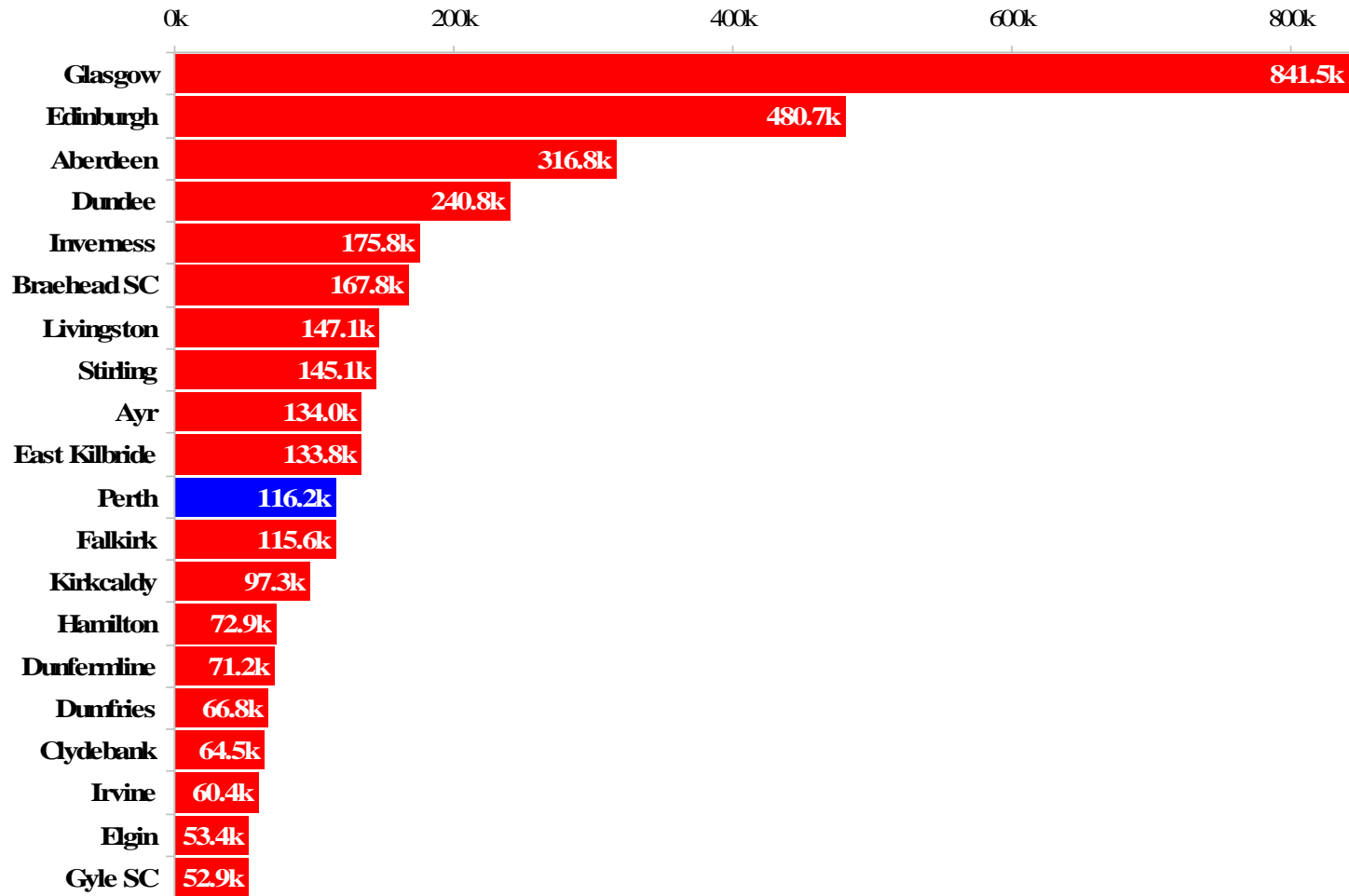
- Perth's core/secondary catchment - the area from which the city attracts 90% of its market size - has been split into nine segmentation zones. The core catchment comprises two zones with the secondary catchment comprising seven zones.
- 'Core inner' delivers by far the highest shopping population (58,700) to Perth, followed by 'Core outer' (23,600). Perth's catchment penetration within 'Core inner' (66.8%) is broadly comparable with 'Core outer' (69.2%).

Perth Core/Secondary Catchment Area Potential Market and Market Size, 2008

	<i>Potential Market Size (000s)</i>	<i>Market Size (000s)</i>	<i>Penet- ration (% across)</i>	<i>Source of Trade (% down)</i>
Core	122.0	82.3	67.5	70
Sec	562.1	21.6	3.8	20
Core/Sec total	684.1	103.9	15.2	90
<i>Tertiary ('pull-in')</i>	<i>1,294.9</i>	<i>12.3</i>	<i>1.0</i>	<i>10</i>
Total	1,979.0	116.2	5.9	100



Scotland Top 20 Largest Retail Markets Market Size (shopping population 000s), 2008



- Within the secondary catchment, ‘Secondary Dundee’ delivers the highest shopping population to Perth (10,900): representing just under 1 in 10 shoppers attracted by Perth from the core/secondary catchment. Perth achieves a catchment penetration of 6.1% in the ‘Secondary Dundee’ segmentation zone.

Shopping Patterns Change 1998-2008

- Perth’s potential market (catchment population) has increased by 53,100 over the 1998 to 2008 period: an increase of +2.8%.
- At the same time, Perth’s market size (shopping population attracted) has declined by 7,500 (-6.1%) from 123,700 in 1998 to 116,200 in 2008.
- Consequently, Perth’s catchment penetration has declined from 6.4% in 1998 to 5.9% in 2008: representing a -0.6 percentage point change.

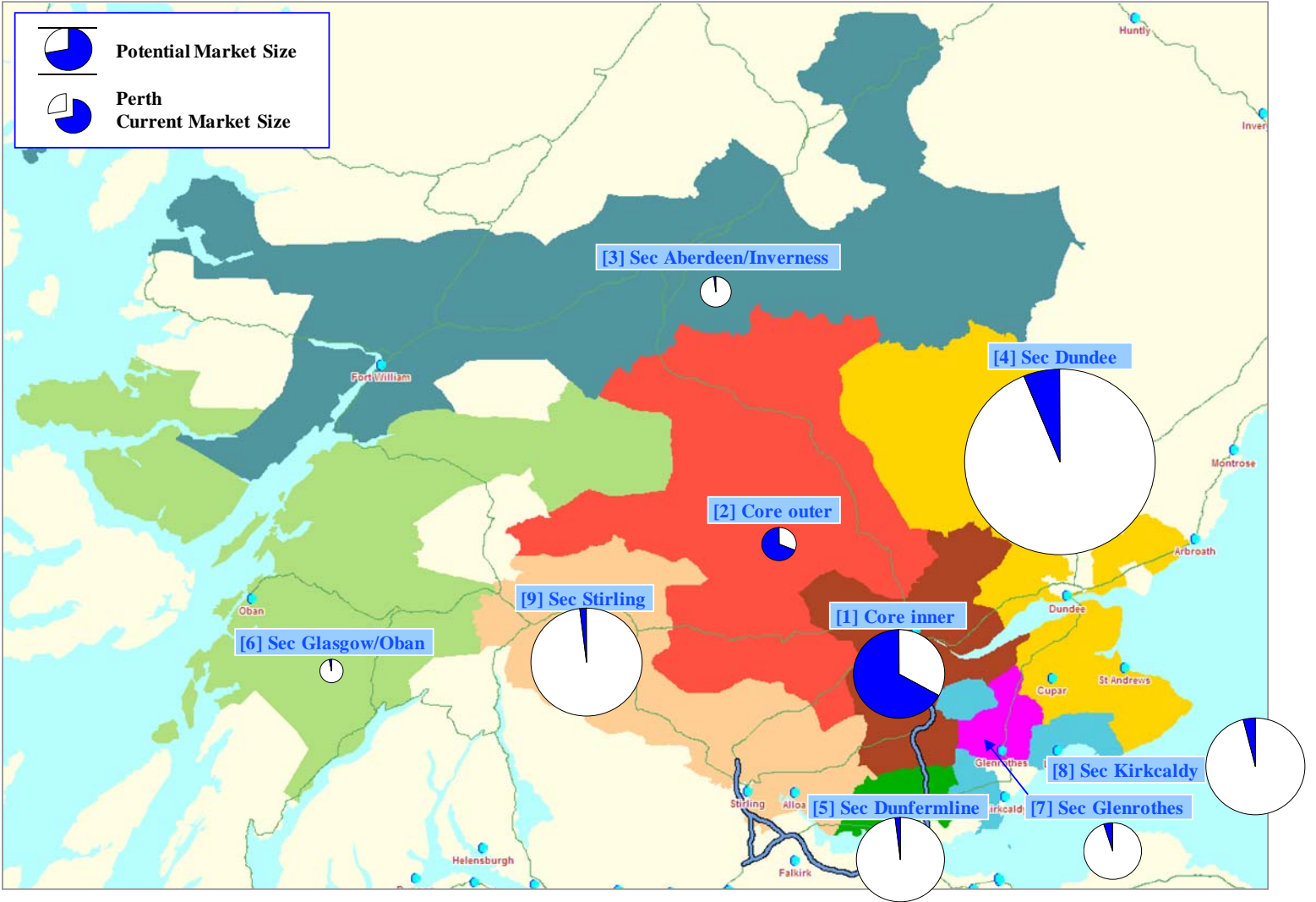
	<i>1998*</i>	<i>2008</i>	<i>1998-2008 Change</i>	
Potential market	000s	1,925.9	1,979.0	+53.1 [+2.8%]
Market size	000s	123.7	116.2	- 7.5 [- 6.1%]
Catchment penetration*	%	6.4	5.9	- 0.6 percentage-points

() 2001 population data used for 1998*

- In terms of Perth’s core/secondary catchment segmentation zones, the highest decline in shopping population attracted (-4,900) over the 1998-2008 period is from ‘Secondary Dundee’ (shopping population attracted by Perth of 15,800 in 1998 compared to 10,900 in 2008).
- Perth recorded an decline in shopping population attracted from six segmentation zones, no change in a further two and an increase in one: ‘Secondary Kirkcaldy’ (shopping population of 2,900 in 1998 v 3,300 in 2008).

Perth Core/Secondary Catchment Segmentation Zones

Potential Market and Perth Market Size, 2008



Competition

- Within the total catchment area, Perth has two major competing centres - Dundee and Edinburgh - attracting 11.8% and 10.2% respectively of Perth catchment residents (c.f. Perth's market share within its total catchment area is 5.9%).
- Within the core/secondary catchment, Perth has three major competing centres - Dundee, Edinburgh and Glasgow - attracting 19.6%, 11.6% and 10.6% respectively of Perth catchment residents (c.f. Perth's market share within its core/secondary catchment area is 15.2%). Dundee, therefore, attracts a higher volume of shoppers from Perth's core/secondary catchment, than Perth itself.

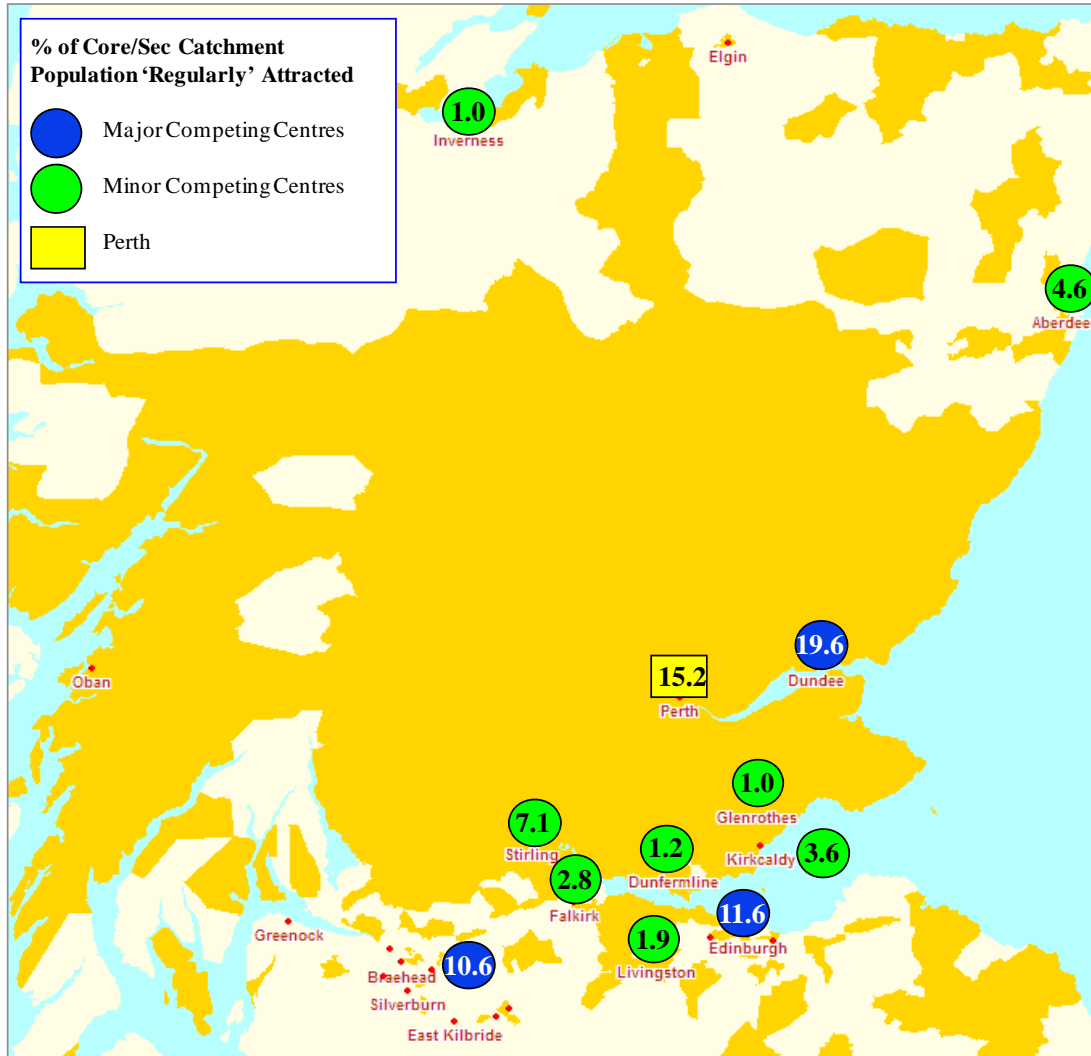
Demographics

- Perth's total catchment adult age profile mirrors the national GB average.
- Perth's core catchment is, however, slightly older than both the total catchment and national averages (54.3% of core catchment adult residents aged 45+ years old, compared with the total catchment at 50.3% and the national average at 48.9%).
- Perth's total catchment area contains 47.8% of residents classed as ABC1s: slightly lower than the national (GB) average, at 51.1%. The proportion of ABC1s within Perth's core catchment is 50.4%.

Consumer Spend Potential

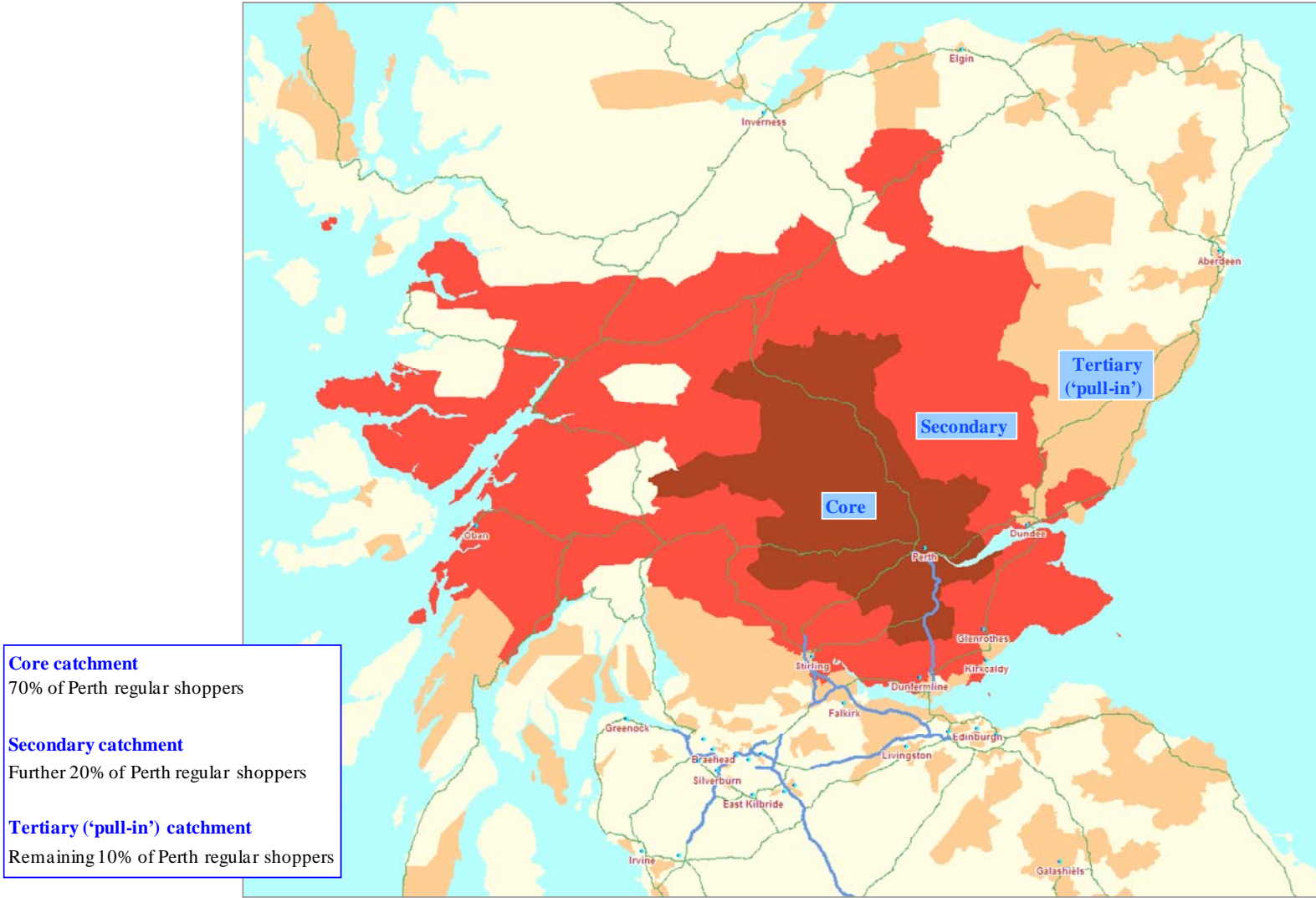
- The overall annual comparison goods spending potential of the Perth catchment is £6,081.09m .
- Perth's shopping population is estimated to spend £363.61m annually on comparison goods items. Analysts should note that the latter total is the amount notionally available to retailers operating in Perth from regular Perth domestic shoppers. The amount Perth shoppers actually spend in Perth will depend on the retail mix/goods availability.

Perth Core/Secondary Catchment Competing Centres Trade Draw Penetration Rate (%), 2008



<i>Trade Draw from Perth Core/Secondary Catchment (%)</i>	
Perth	15.2
Major Competing Centres 41.8	
Dundee	19.6
Edinburgh	11.6
Glasgow	10.6
Minor Competing Centres 23.2	
Stirling	7.1
Aberdeen	4.6
Kirkcaldy	3.6
Falkirk	2.8
Livingston	1.9
Dunfermline	1.2
Inverness	1.0
Glenrothes	1.0
Mailorder	1.7
Other	18.1

Perth Catchment Area, 2008



Perth Catchment Area Potential Market and Market Size, 2008

Total catchment

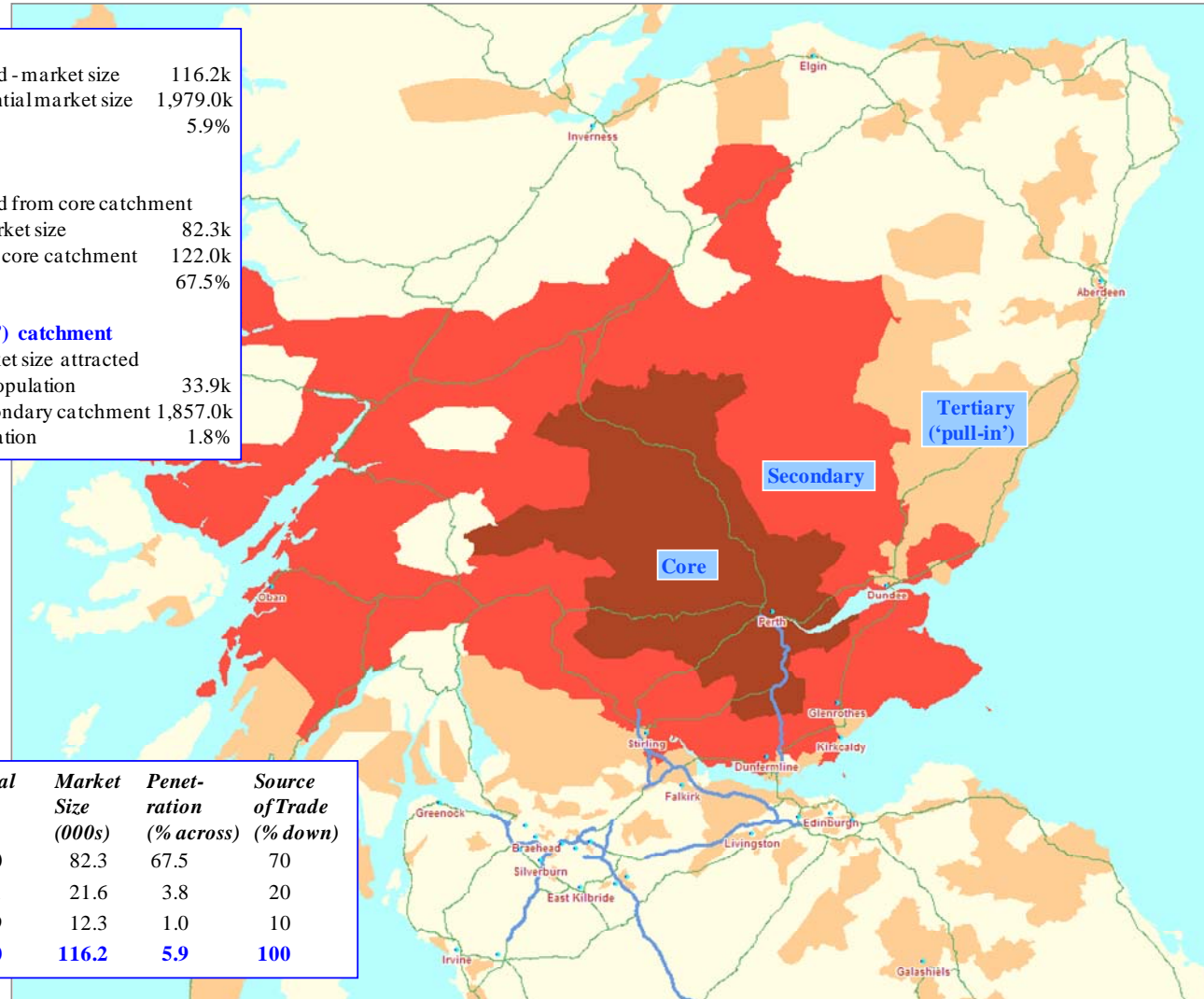
Shopping population attracted - market size	116.2k
Catchment population - potential market size	1,979.0k
Catchment penetration	5.9%

Core catchment

Shopping population attracted from core catchment representing 70% of total market size	82.3k
Total potential market size in core catchment	122.0k
Core catchment penetration	67.5%

Secondary/tertiary ('pull-in') catchment

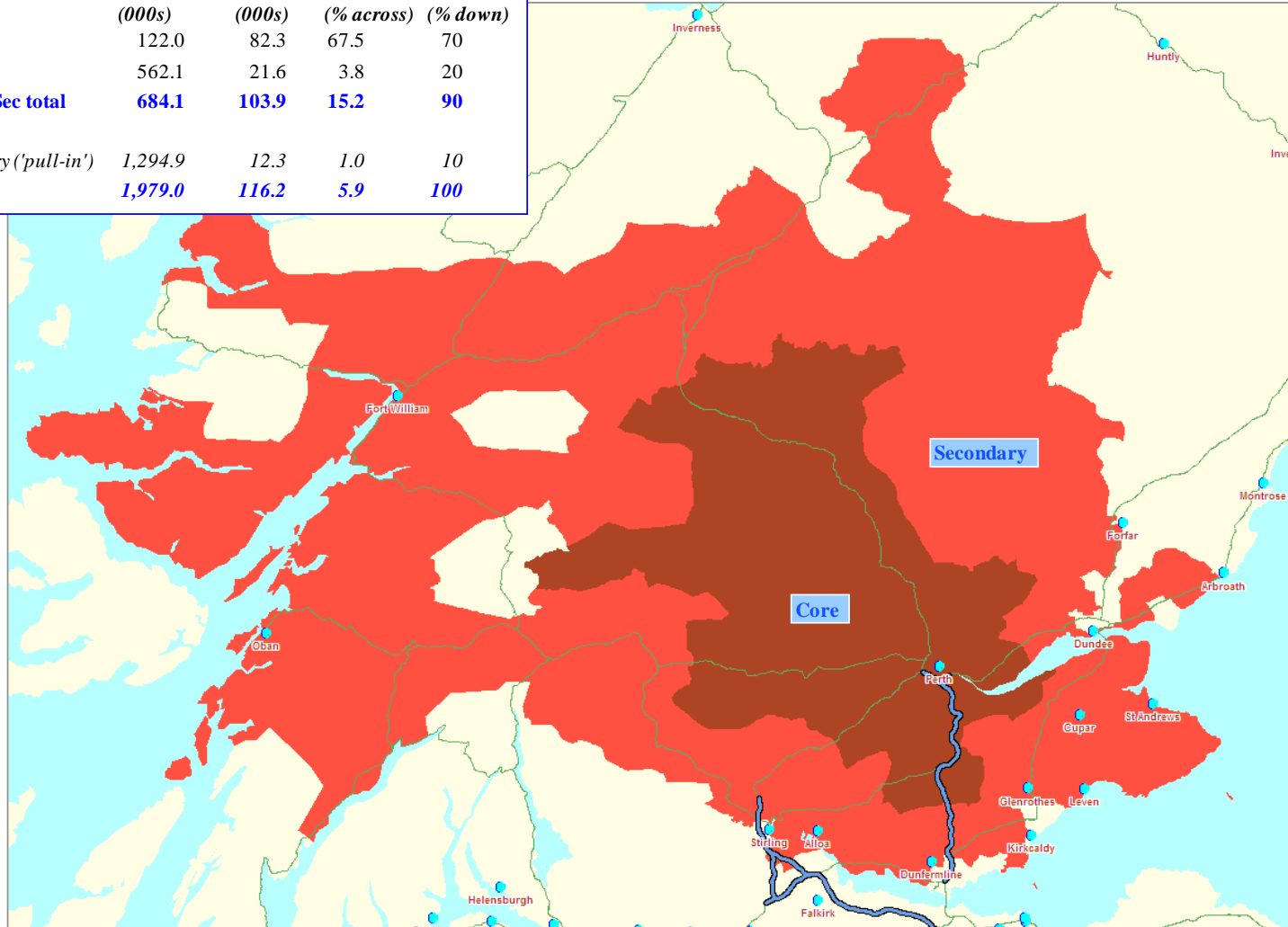
Remaining 30% of total market size attracted from secondary catchment population	33.9k
Total potential market in secondary catchment	1,857.0k
Secondary catchment penetration	1.8%



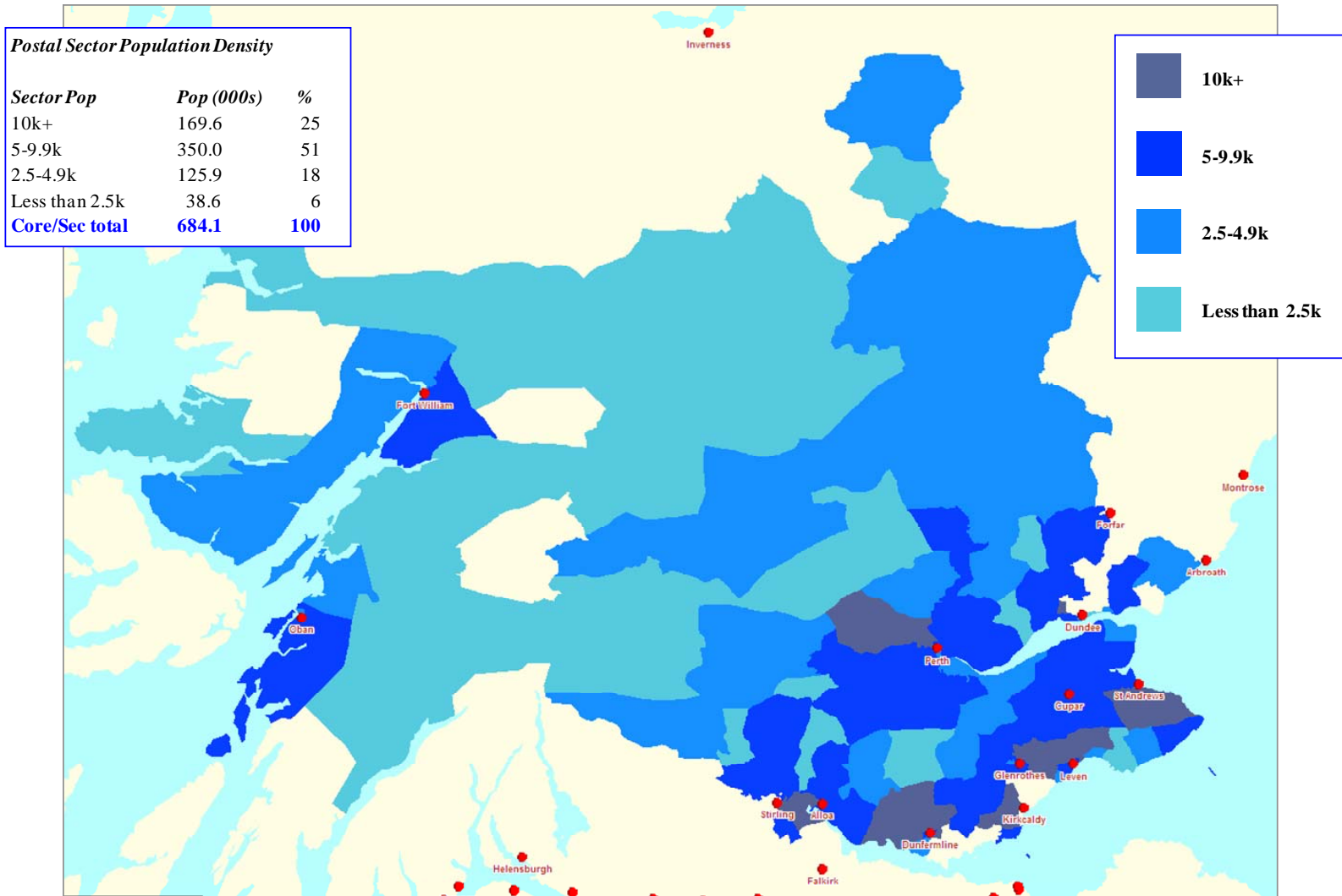
	Potential Market (000s)	Market Size (000s)	Penetration (% across)	Source of Trade (% down)
Core	122.0	82.3	67.5	70
Sec	562.1	21.6	3.8	20
Tertiary ('pull-in')	1,294.9	12.3	1.0	10
Total	1,979.0	116.2	5.9	100

Perth Core/Secondary Catchment Area Potential Market and Market Size, 2008

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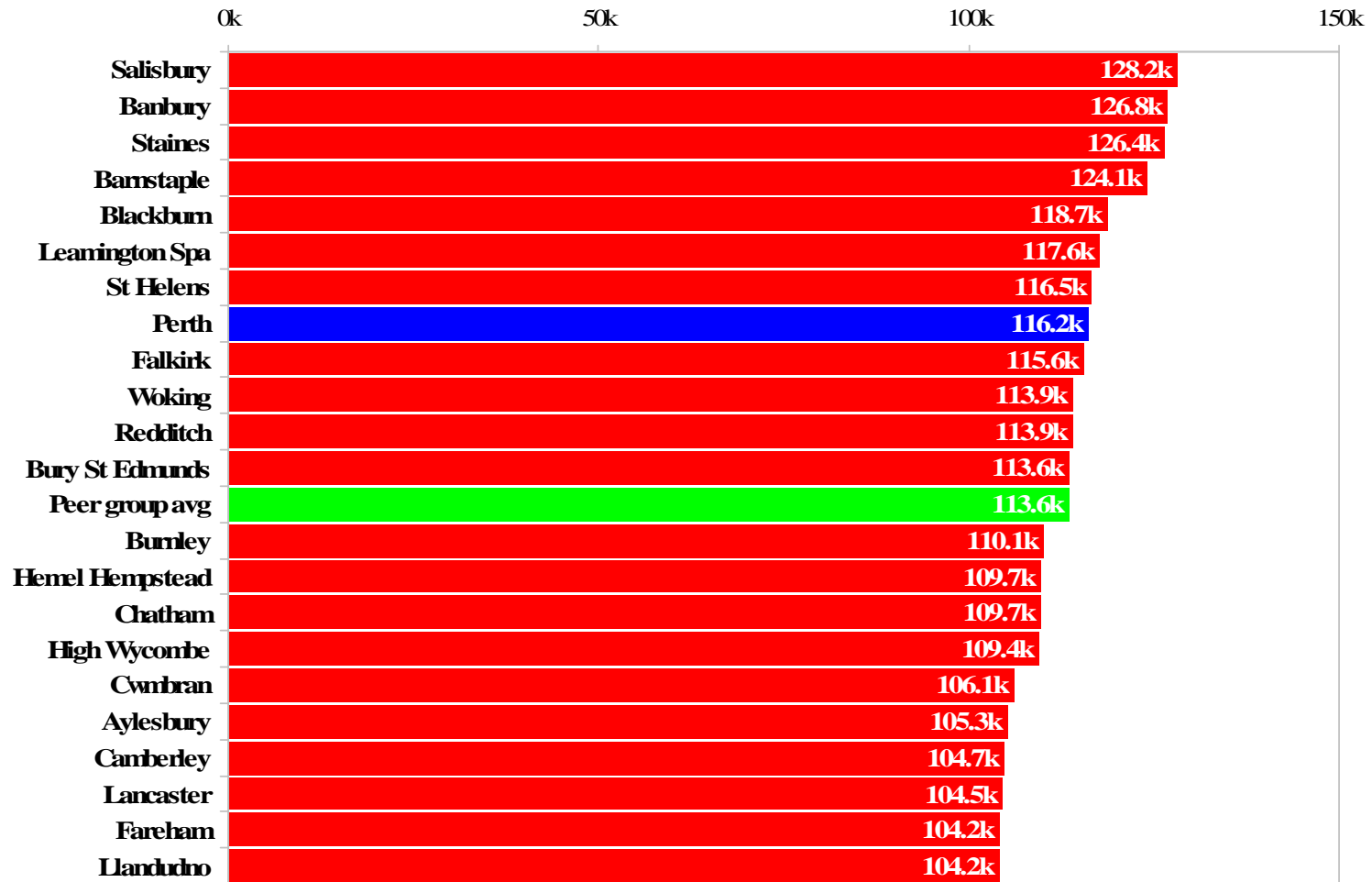


Perth Core/Secondary Catchment Postal Sector Population Density Resident Population, 2008



'Peer Group' Comparables

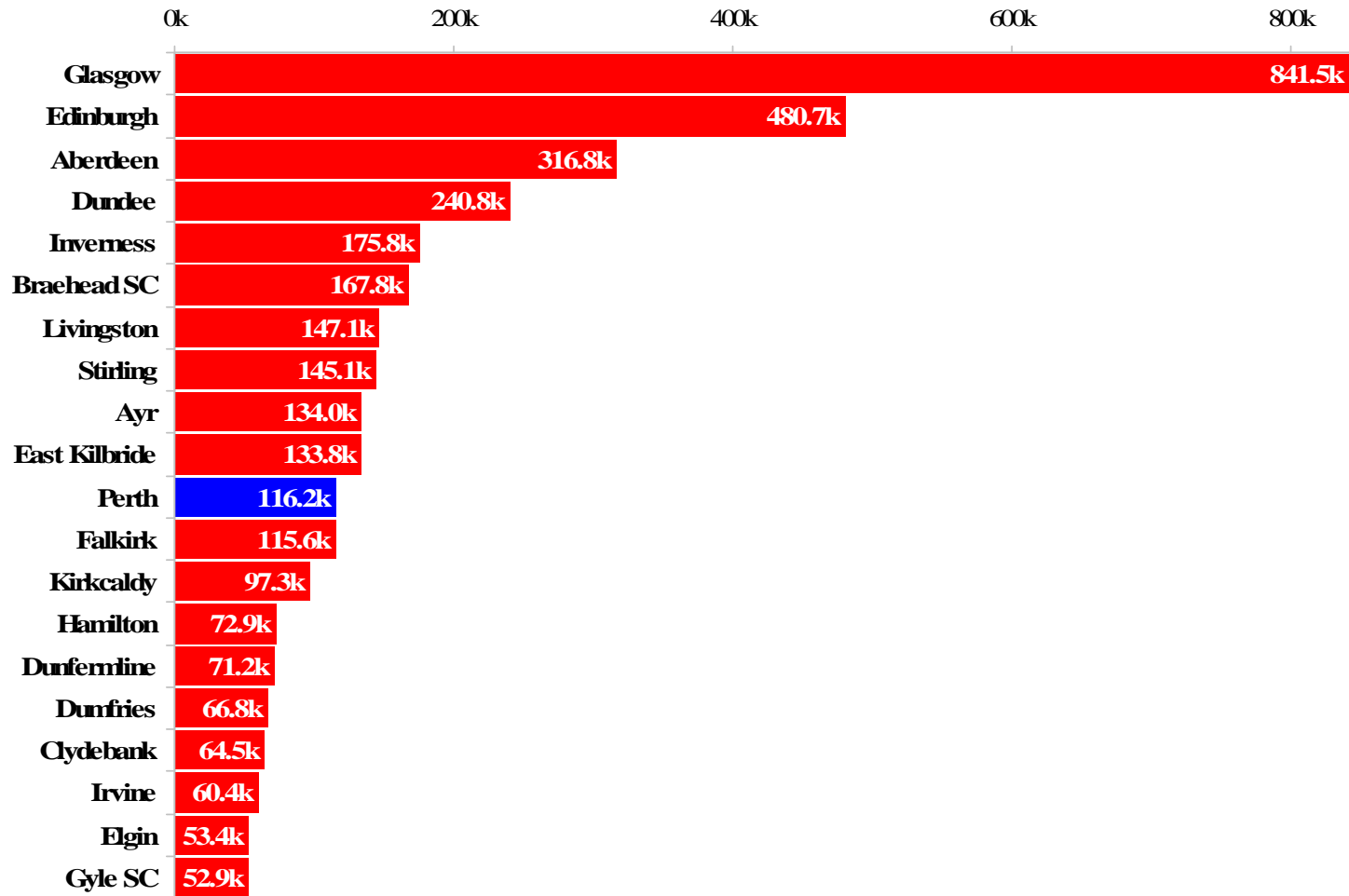
Perth 'Peer Group' Comparables
Market Size (shopping population 000s), 2008



Perth 'Peer Group' Comparables Comparison, 2008



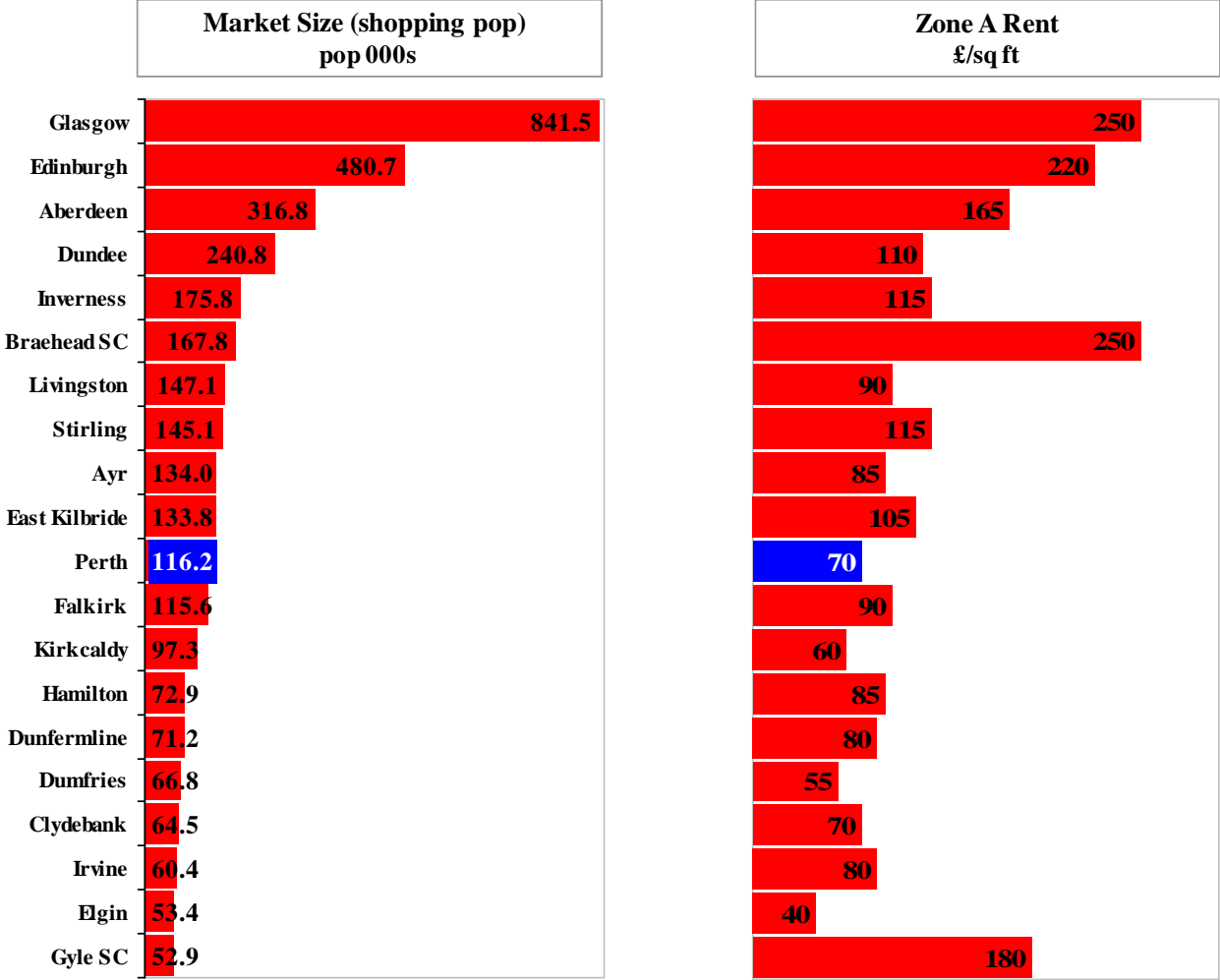
Scotland Top 20 Largest Retail Markets Market Size (shopping population 000s), 2008



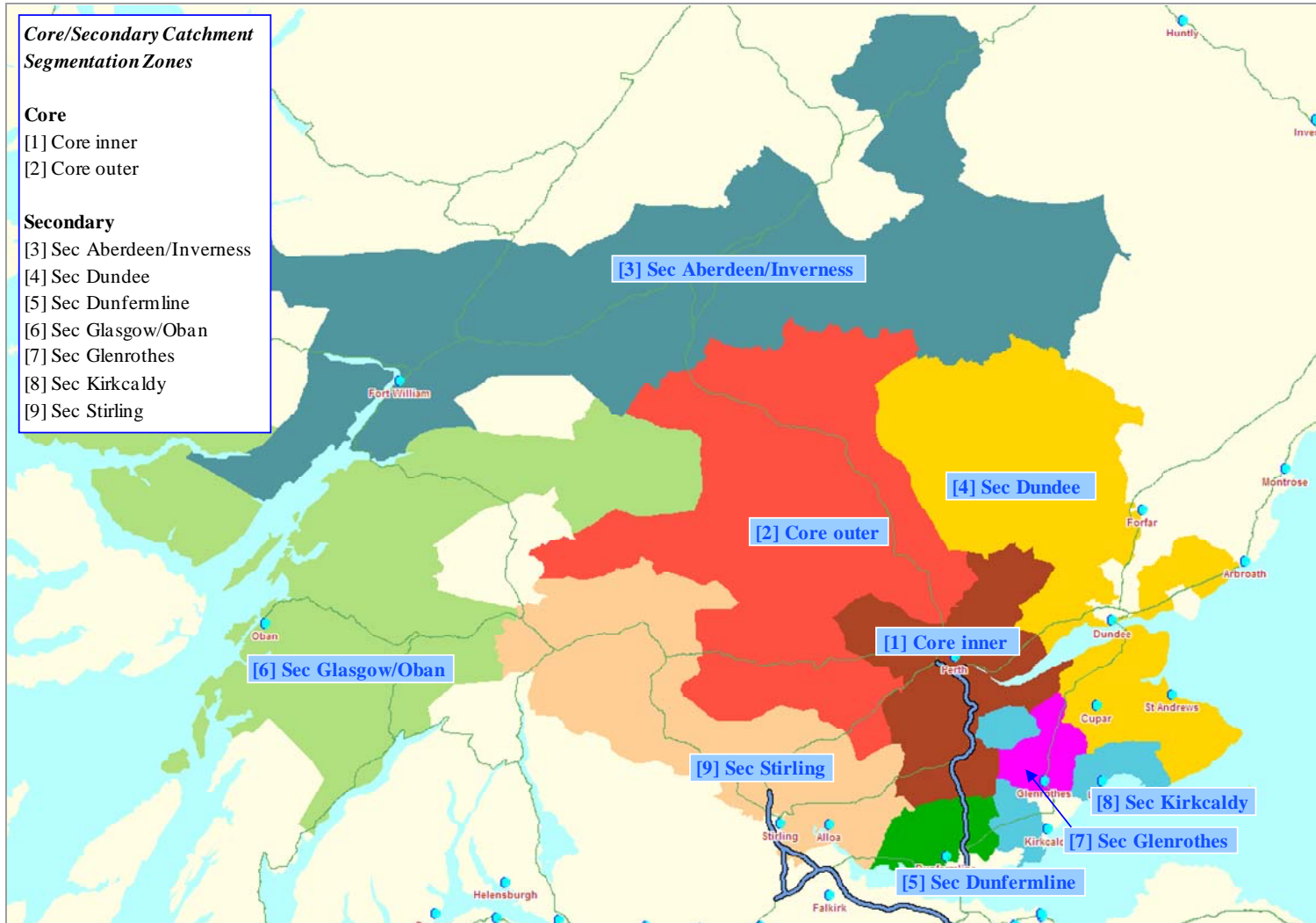
Scotland Top 20 Largest Retail Markets, 2008



Scotland Top 20 Largest Retail Markets 2008 v Zone A Rent ZA Rent £ per sq ft Autumn 2007, CCRE



Perth Core/Secondary Catchment Segmentation Zones, 2008

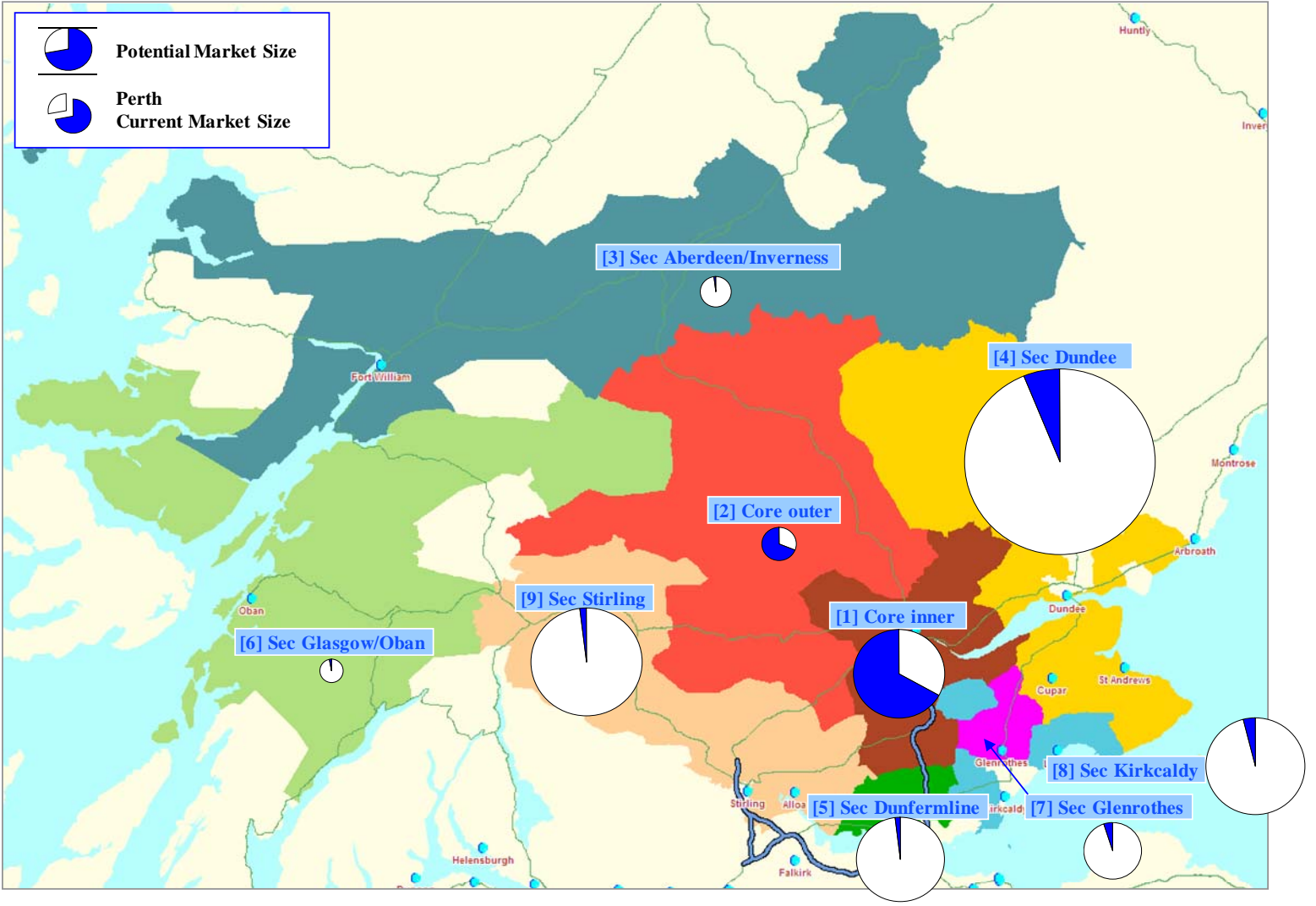


Perth Core/Secondary Catchment Segmentation Zones Potential Market and Market Size

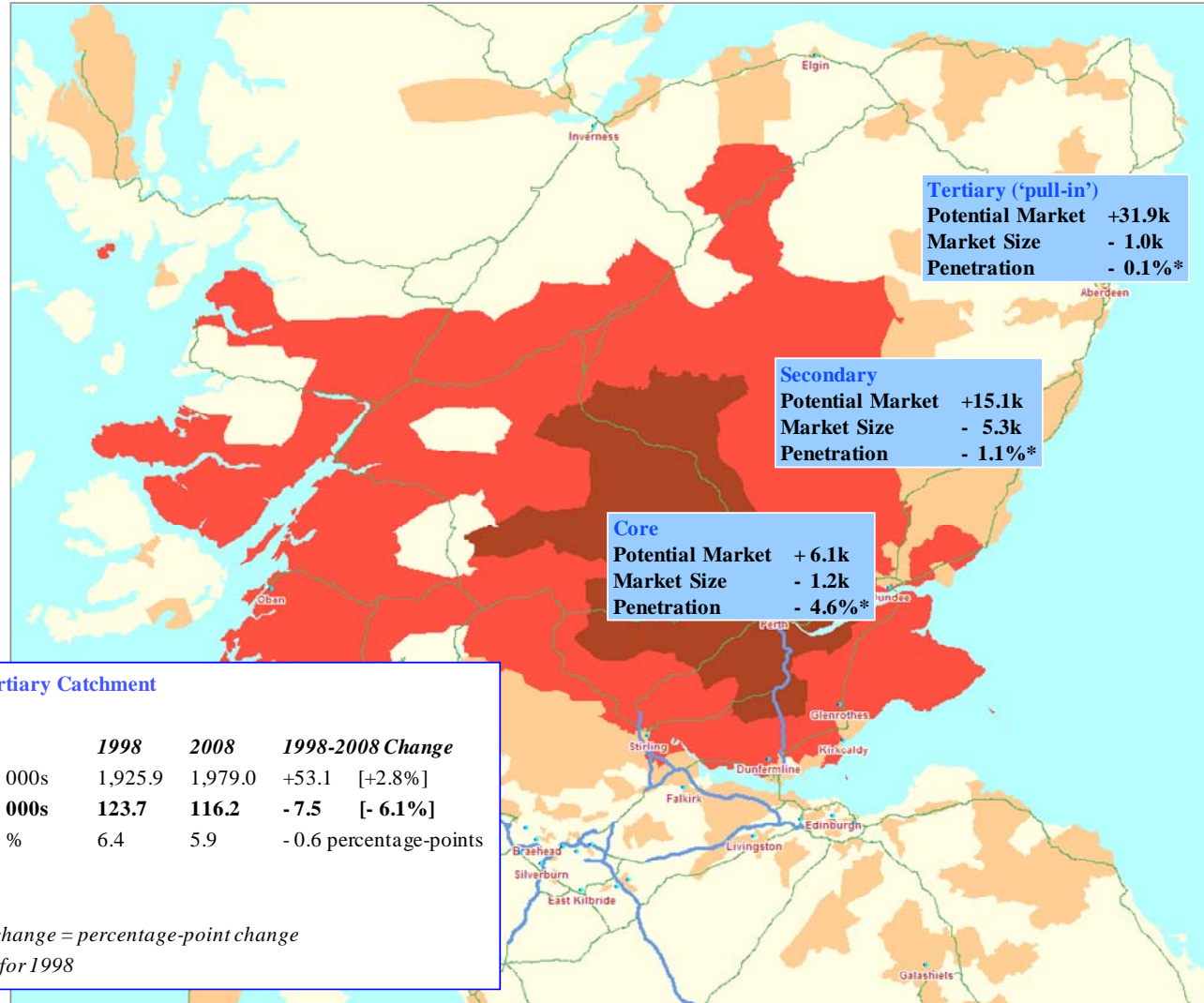
	<u>Potential Market</u> <i>Catchment Population (000s)</i>	<u>Market Size</u> <i>Shopping Population (000s)</i>	<i>Penetration Rate (% across)</i>	<i>Source of Trade* (% down)</i>
Core Catchment				
[1] Core inner	87.9	58.7	66.8	50
[2] Core outer	34.1	23.6	69.2	20
Secondary Catchment				
[3] Sec Aberdeen/Inverness	28.8	0.6	2.1	1
[4] Sec Dundee	179.6	10.9	6.1	9
[5] Sec Dunfermline	83.2	1.5	1.7	1
[6] Sec Glasgow/Oban	21.3	0.6	2.7	<1
[7] Sec Glenrothes	54.5	2.7	4.9	2
[8] Sec Kirkcaldy	91.6	3.3	3.6	3
[9] Sec Stirling	103.1	2.0	2.0	2
Core/Sec total	684.1	103.9	15.2	90
<i>(*) Source of trade calculated from core/sec/tertiary ('pull-in') catchment</i>				

Perth Core/Secondary Catchment Segmentation Zones

Potential Market and Perth Market Size, 2008



Perth Catchment Area, 1998 v 2008 Potential Market and Market Size



Perth Core/Secondary Catchment Segmentation Zones, 1998 v 2008 Potential Market and Market Size

	<u>Potential Market</u>			<u>Market Size</u>			<u>Catchment Penetration</u>		
	<i>Catchment pop (000s)</i>			<i>Shopping pop (000s)</i>			<i>(%)</i>		
	1998	2008	Change	1998	2008	Change	1998	2008	Change*
Core Catchment	115.9	122.0	+ 6.1	83.6	82.3	- 1.2	72.1	67.5	- 4.6
Core inner	83.5	87.9	+ 4.4	59.8	58.7	- 1.0	71.6	66.8	- 4.8
Core outer	32.4	34.1	+ 1.7	23.8	23.6	- 0.2	73.4	69.2	- 4.2
Secondary Catchment	547.0	562.1	+15.1	26.9	21.6	- 5.3	4.9	3.8	- 1.1
Sec Aberdeen/Inverness	28.1	28.8	+ 0.7	0.6	0.6	0.0	2.1	2.1	0.0
Sec Dundee	178.1	179.6	+ 1.5	15.8	10.9	- 4.9	8.9	6.1	- 2.8
Sec Dunfermline	79.6	83.2	+ 3.6	1.7	1.5	- 0.2	2.1	1.7	- 0.4
Sec Glasgow	20.8	21.3	+ 0.5	0.6	0.6	- 0.1	3.1	2.7	- 0.4
Sec Glenrothes	52.2	54.5	+ 2.3	2.7	2.7	0.0	5.1	4.9	- 0.1
Sec Kirkcaldy	87.6	91.6	+ 4.0	2.9	3.3	+0.4	3.3	3.6	+0.3
Sec Stirling	100.7	103.1	+ 2.3	2.5	2.0	- 0.5	2.5	2.0	- 0.6
Core/Sec Catchment	662.9	684.1	+21.1	110.4	103.9	- 6.5	16.7	15.2	- 1.5

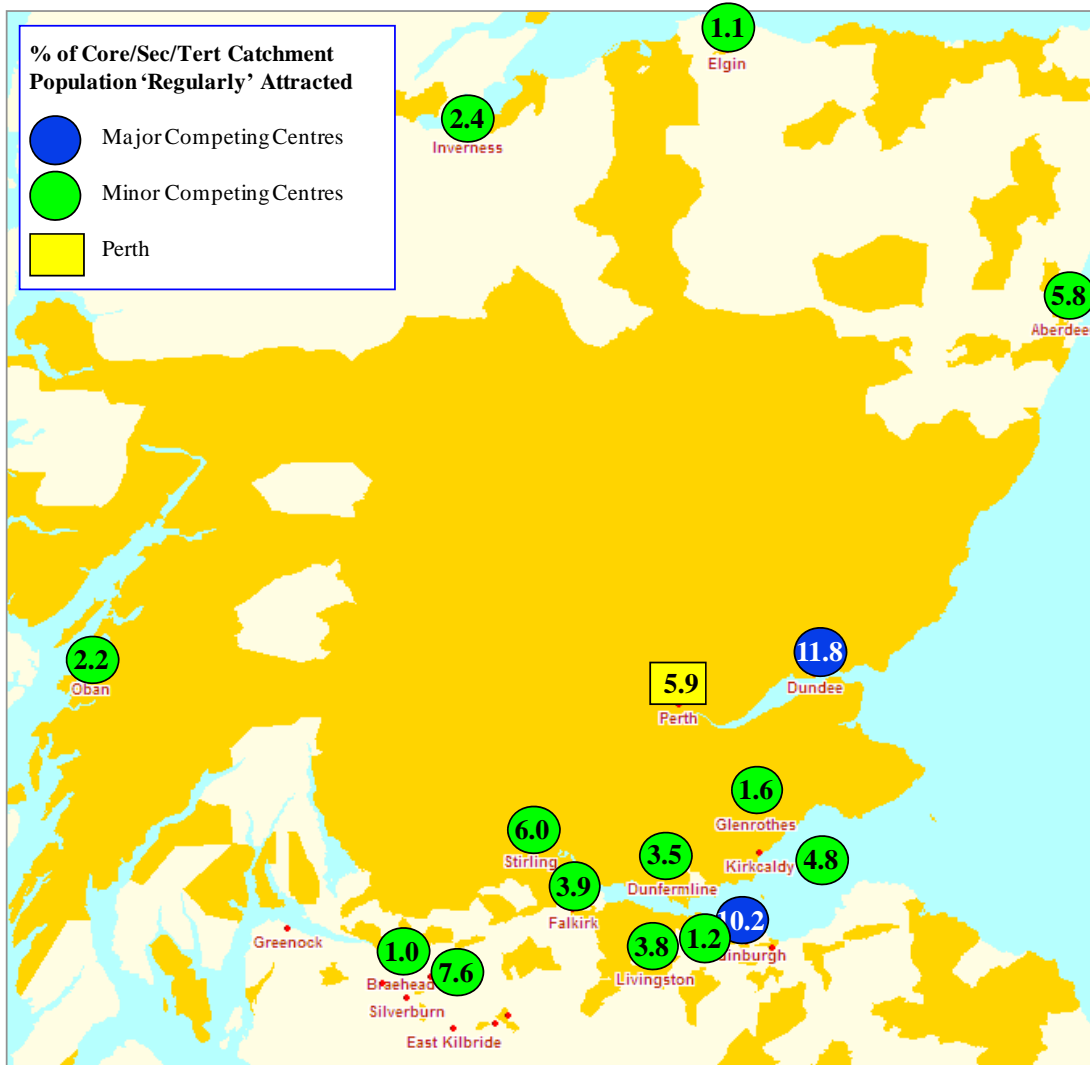
Notes:

(*) catchment penetration change = percentage-point change
2001 population data used for 1998

Perth Core/Secondary Catchment Segmentation Zones, 1998 v 2008 Potential Market and Market Size



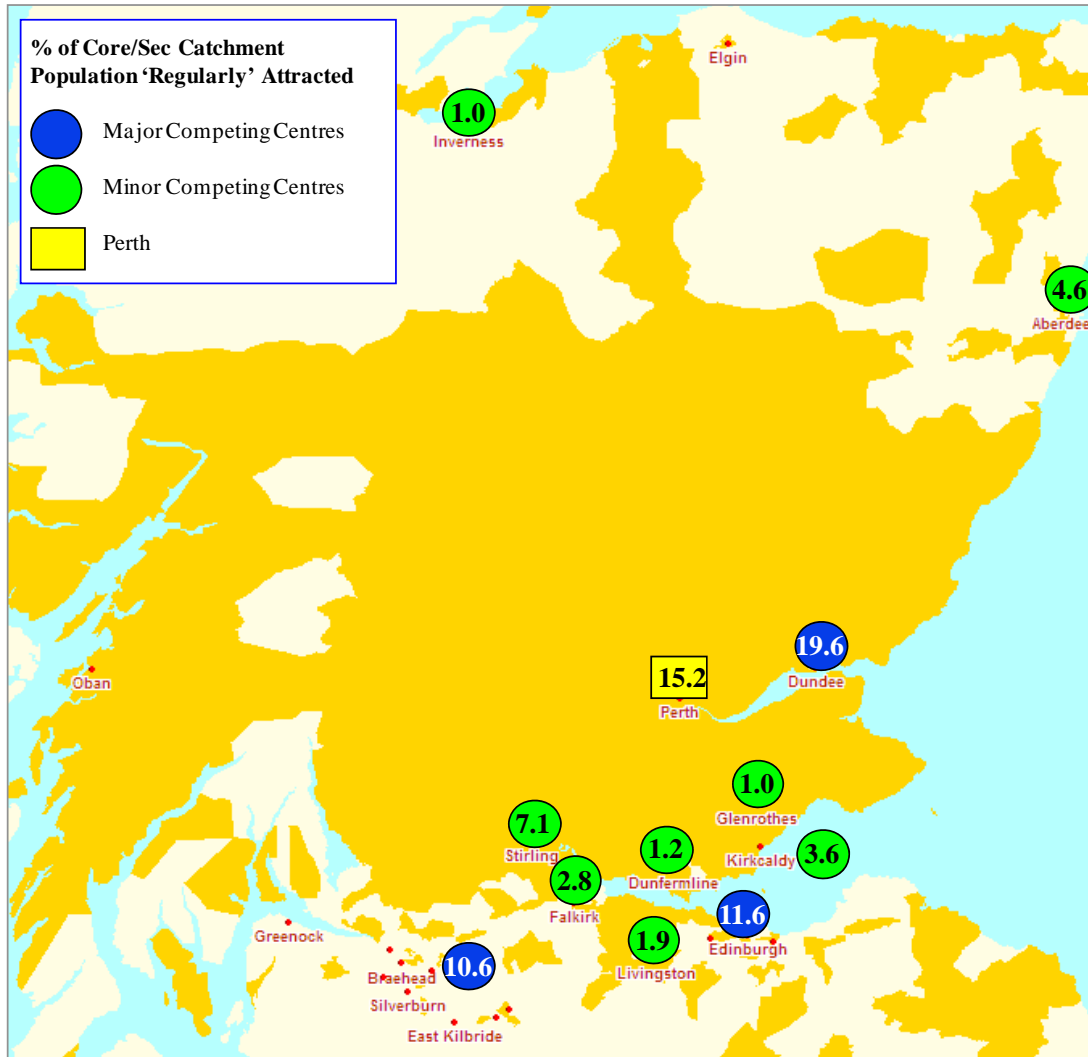
Perth Core/Secondary/Tertiary Catchment Competing Centres Trade Draw Penetration Rate (%), 2008



<i>Trade Draw from Perth</i>	
<i>Core/Sec/Tertiary Catchment (%)</i>	
Perth	5.9
Major Competing Centres 22.0	
Dundee	11.8
Edinburgh	10.2
Minor Competing Centres 43.9	
Glasgow	7.6
Stirling	6.0
Aberdeen	5.8
Kirkcaldy	4.8
Falkirk	3.9
Livingston	3.8
Dunfermline	3.5
Inverness	2.4
Glenrothes	1.6
Gyle Shopping Centre	1.2
Galashiels*	1.2
Elgin	1.1
Braehead Shopping Centre	1.0
Mail order	1.8
Other	26.4

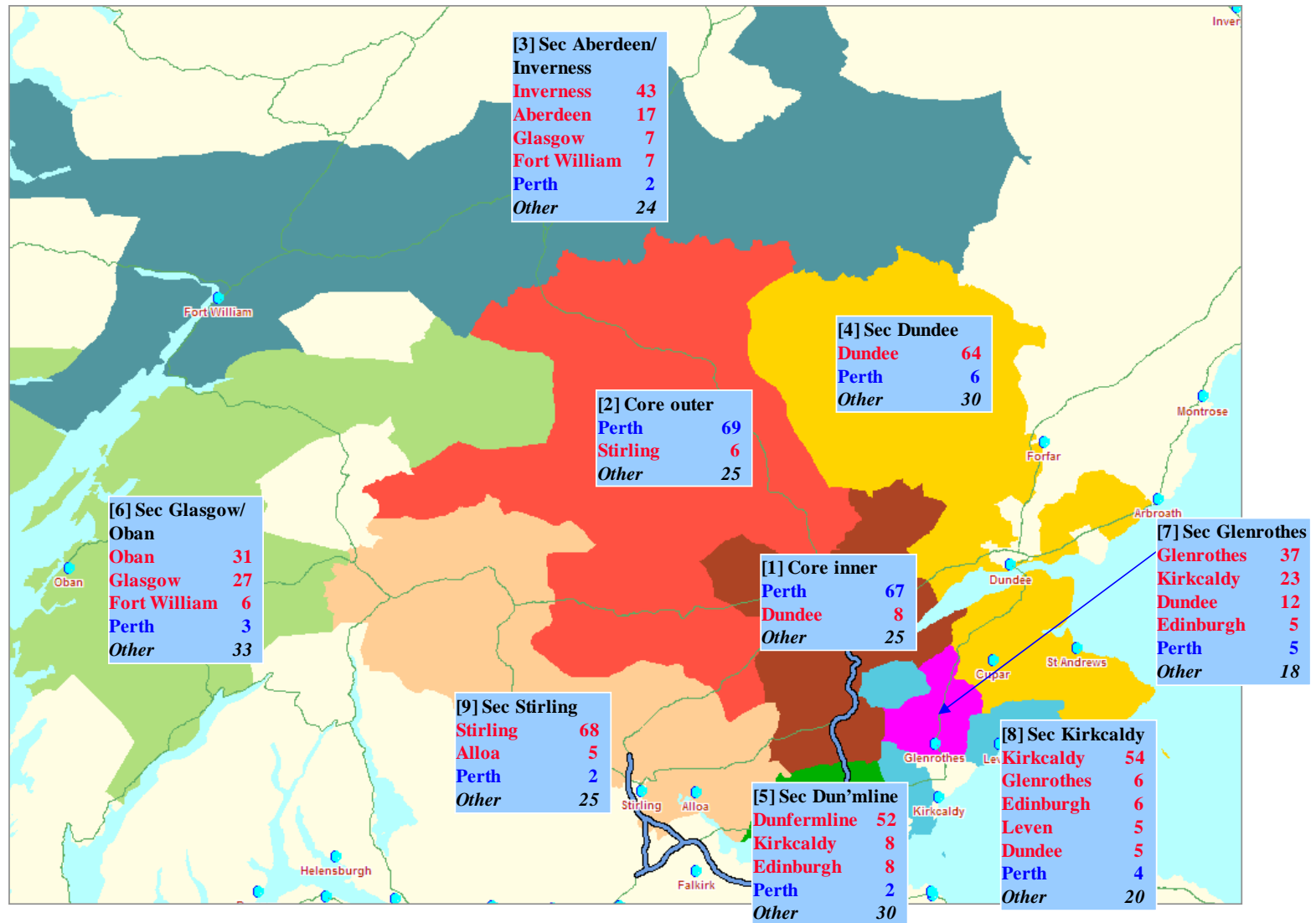
() not shown on map opposite*

Perth Core/Secondary Catchment Competing Centres Trade Draw Penetration Rate (%), 2008



<i>Trade Draw from Perth</i>	
<i>Core/Secondary Catchment (%)</i>	
Perth	15.2
Major Competing Centres 41.8	
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Minor Competing Centres 23.2	
Stirling	7.1
Aberdeen	4.6
Kirkcaldy	3.6
Falkirk	2.8
Livingston	1.9
Dunfermline	1.2
Inverness	1.0
Glenrothes	1.0
Mailorder	1.7
Other	18.1





Perth Core/Sec Catchment Segmentation Zone Competing Centres Trade Draw Penetration Rate (%), 2008

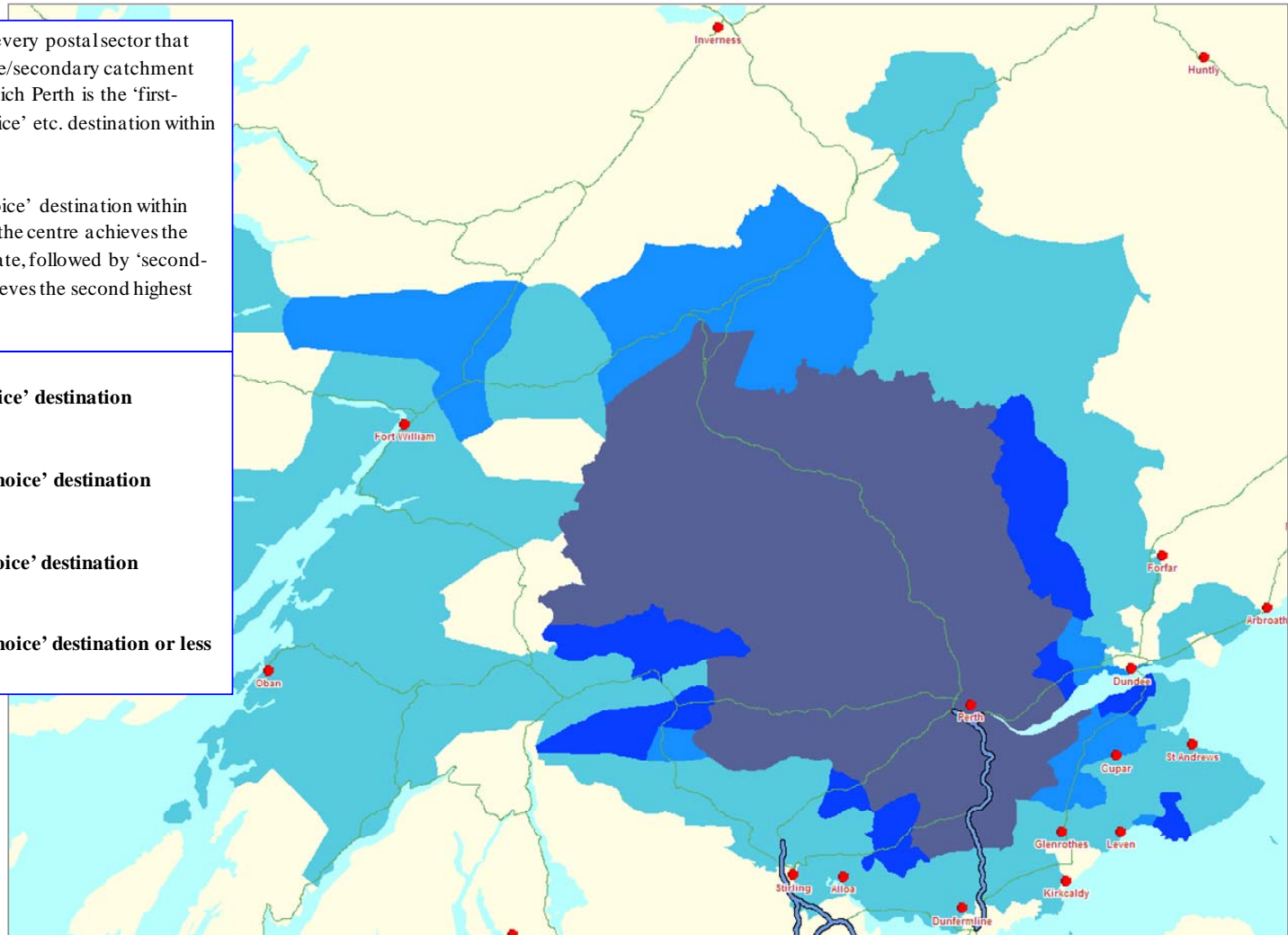


Perth as Preferred Shopping Destination within Core/Secondary Catchment, 2008

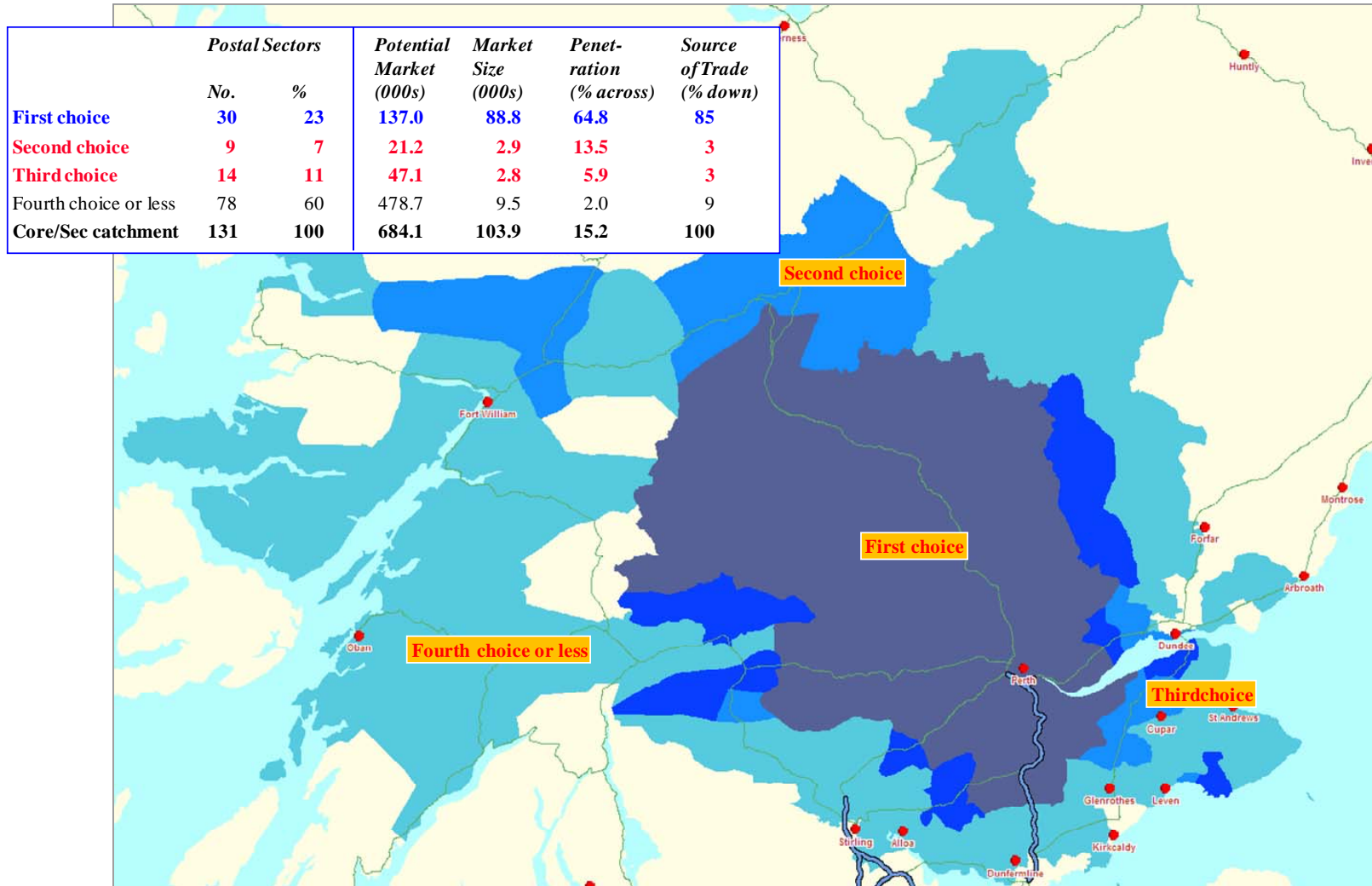
The map shows, for every postal sector that makes up Perth's core/secondary catchment area, the extent to which Perth is the 'first-choice', 'second-choice' etc. destination within each.

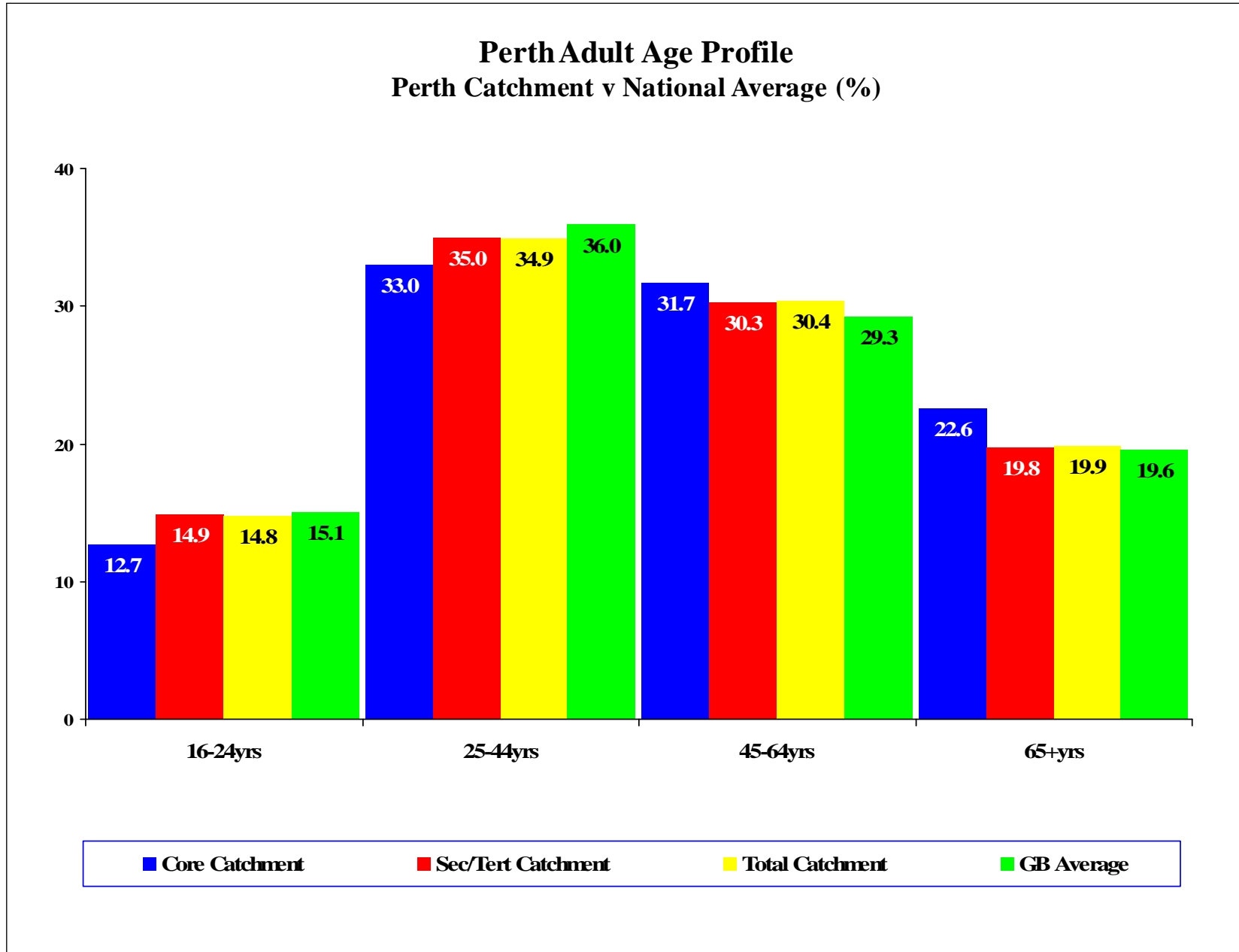
Perth as the 'first-choice' destination within postal sectors where the centre achieves the highest penetration rate, followed by 'second-choice' where it achieves the second highest penetration rate etc..

-  'First-choice' destination
-  'Second choice' destination
-  'Third choice' destination
-  'Fourth choice' destination or less

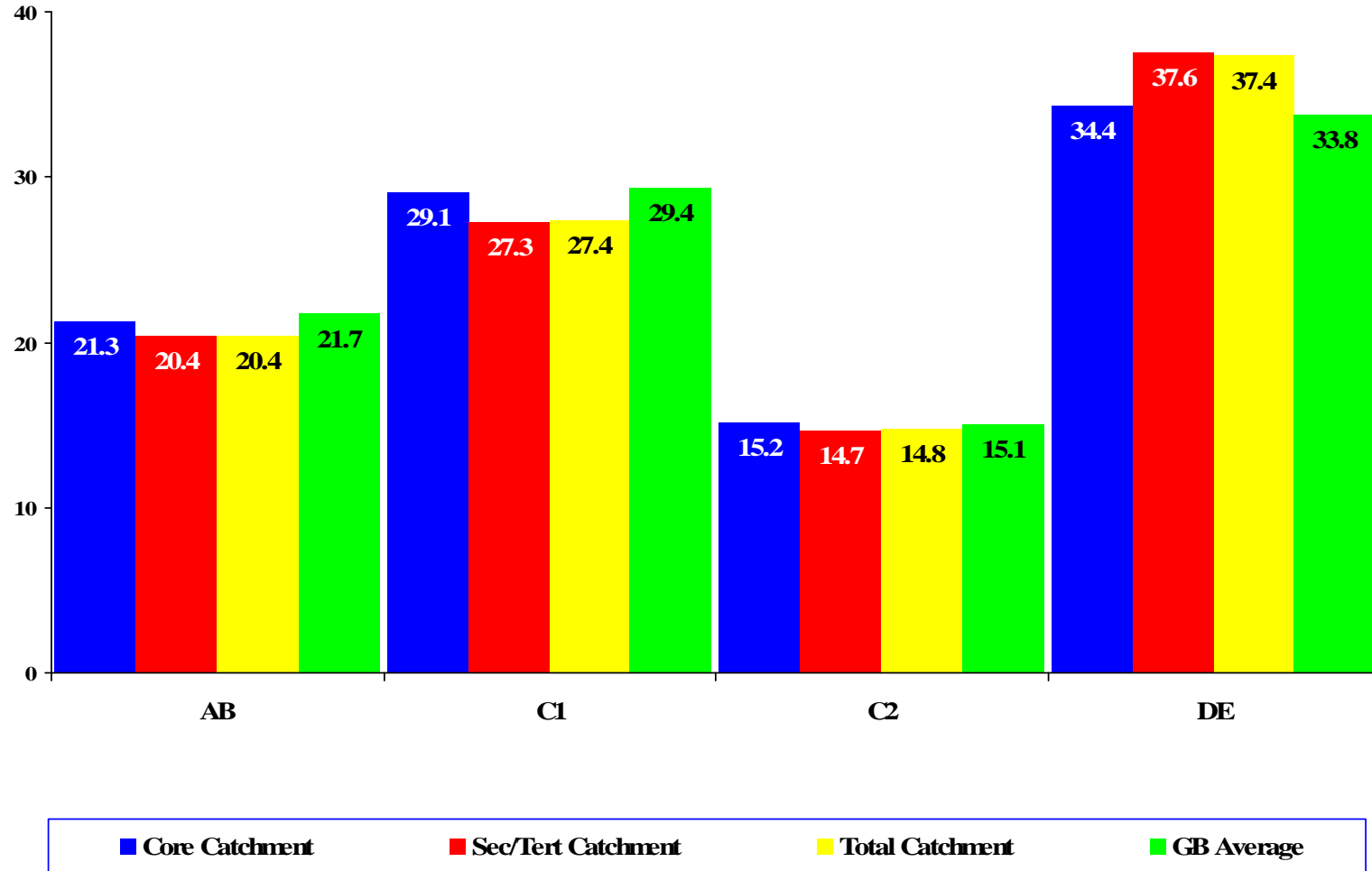


Perth as Preferred Shopping Destination within Core/Secondary Catchment Potential Market and Market Size, 2008





Perth Social Grade Profile Perth Catchment v National Average (%)



Perth Catchment and Shopping Population Consumer Spending £ inc VAT, 2009

	<i>Shopping Population</i>	<i>Catchment Population</i>
Total goods	586.88m	9,841.27m
Convenience goods	223.26m	3,760.18m
Comparison goods	363.61m	6,081.09m
Food	149.47m	2,518.32m
Alcoholic drink	28.91m	484.62m
Tobacco	31.05m	524.04m
Books, newspapers & magazines	15.60m	262.21m
Clothing & footwear	88.95m	1,487.92m
Furniture, floor coverings & household textiles	44.39m	744.57m
Audio-visual equipment & other durables	59.61m	995.76m
Hardware and DIY supplies	30.06m	503.19m
Other goods	121.07m	2,026.15m

NSLSP Background

Perth catchment analysis based on *National Survey of Local Shopping Patterns* (NSLSP) as key data source for current shopping patterns.

The NSLSP is a continuous household survey of food and non-food shopping patterns covering the whole of Great Britain. The survey, established in 1996, records the shopping destination preferences of households for comparison goods, convenience goods and bulky goods.

Catchment areas are determined by allocating every zone where one or more households report visiting the named shopping destination for comparison, convenience or grocery shopping purposes. NSLSP catchments are, in this respect, 'self-forming' in that no subjective judgement is applied regarding the geographic extent of catchments determined by the survey. NSLSP catchments identify the true geographic extent of trading location catchment areas.

Summary

- Latest data-set – as at 2008 – used.
- GB-wide household survey of consumer shopping destination preferences
- Largest survey of its kind in retail industry
- Identifies comparison v convenience v bulky goods shopper flows (comparison or non-food – data set sourced for Perth catchment analysis)
- Updated on an annual basis
- Each NSLSP survey covers about 35% of all GB postcodes
- 1m+ records are added to the programme annually
- NSLSP programme identifies more than 12,000 primary food and non-food shopping destinations in GB
- Other Data Sources

Population and population forecasts derive variously from updated results from national population censuses, ONS projections and forecasts

CES small area consumer expenditure estimates derive from the Expenditure and Food Survey (EFS); United Kingdom National Accounts (Blue Book); and national population censuses.

Demographic data derive from the 2001 Census.