

## **Basket of Goods Project**

The Basket of Goods Project was initiated to evaluate the perceived savings of shopping outside of 100 Mile House. Previously this year, we conducted a survey to determine where residents were shopping, what items they were purchasing and reasons they chose to shop out-of-town. The survey results provided insight into shopper's habits and decision making. So, we began strategizing on a "basket of goods" that we could price out and compare with neighbouring communities to gauge the real or perceived savings by going out-of-town to shop. Not all survey respondents said they shopped out of town to save money. Some cited shopping as an added activity while out-of-town for other reasons, and some cited shopping out of town was more for the selection. Still, most respondents believe that shopping out-of-town saved them money.

The first step of this project was the Shopping Preferences & Business Opportunity Survey to identify shopping habits. The survey was conducted over a two-week period. We used the data collected from the survey and additional research to create a "basket of goods" with items to cost out. These items were priced out in 100 Mile House, Williams Lake and Kamloops. We used regular priced items and compared branded items when possible. This in-person process was conducted over a five-week period during summer 2023, mostly at franchise and big box stores. We started with a list of 66 products to compare, but eventually reduced the list to 38 items to ensure we used only directly comparable items. The types of goods we looked at were primarily in grocery and household categories. It proved to be challenging to compare prices because the goods themselves were not always exactly the same in terms of quality, brand and quantity. We did our best to compare like-for-like quality by comparing generic brands or name brands, not intermixing them. Quantity was accounted for by calculating per-unit pricing.

Comparing items in the grocery basket, we found that prices were 20.7% higher in 100 Mile House compared to Kamloops and 4% less in 100 Mile House compared to Williams Lake. This came as a surprise and may reflect an anomaly with the pricing of a few goods on a given day. When looking at all basket categories combined, food and other household items, we found that prices were 19% more in 100 Mile House compared to Kamloops and 6.2% more in 100 Mile House compared to Williams Lake. Based on our basket selection, it was evident that savings of approximately 20% could be realized by purchases made in Kamloops regardless of basket

categories. There was more variability with price comparisons with Williams Lake between grocery and non-grocery basket items. While there were marginal savings to be realized in food purchases by shopping at home, the other basket categories showed small savings by purchasing in Williams Lake.

Another one of the project's primary goals was to portray the true financial costs to households of shopping out-of-town. Indeed, trip spending on fuel, meals and impulse purchases need to be considered. Whether it is a quick stop for a cup of coffee or perhaps a meal or two, fuel consumption and any additional purchases when you are out of town, these expenses decrease any savings that might have been realized from shopping at home.

Sit-down restaurant meals can average at \$25.00 per person, while fast food restaurant meals can average \$12.00 per person, all before tips or taxes. If a family of 4 makes the out-of-town shopping trip together, food alone could cost \$50 - \$100 per meal.

Fuel costs are another expense to consider when travelling out of town for appointments or shopping. 100 Mile House to Williams Lake – return is 188 kms and a two-hour travel time. 100 Mile House to Kamloops – return is 390 kms and a four-hour travel time. The range of cost depends on the size and type of vehicle driven. But using today's price of fuel in 100 Mile House \$1.79.9 per litre (Aug 29/2023), the cost range to travel to Williams Lake return could be an estimated \$25 to \$88, while the estimated cost in fuel to travel to Kamloops return could total \$52 to \$183.

The length of a shopping trip is another cost in relation to time. Everyone values their time differently, but it is a factor that some shoppers consider when deciding whether to shop out-of-town or how frequently to do so. The estimated the length of time to travel to Williams Lake, shop and return is 4 - 5 hours and to Kamloops is 6 - 7 hours.

Results from the Shopping Preferences and Business Opportunity Survey showed that 60% of respondents made impulse purchases when shopping out-of-town. Impulse purchases could add up to 10% - 25% to a planning shopping expense or even more if big ticket items are purchased.

An example may help to highlight the true costs. Consider a shopping trip to Costco in Kamloops



for a planned purchase of \$500. This dollar value should be approximately 20% less than purchasing the same products in 100 Mile House, reflecting a savings of \$100. Assuming the trip is made in a small, fuel-efficient vehicle (\$52 fuel), a fast-food lunch for 2 people is purchased (\$24), and an additional 10% is incidentally purchased (\$50), the cost of the shopping trip could be \$126. Even with these modest expenditures, it could cost \$26 (or 25%) more to shop in Kamloops than it would to pay the higher prices and shop in town.

Using a similar set of assumptions, we considered a shopping trip to Williams Lake for \$250 in planned purchases. The potential savings of 6.2% over 100 Mile House prices would be \$15. After factoring in fuel costs [\$25], fast food costs for 2 people (\$24), and 10% in incidental purchases (\$25), the trip could cost as much as \$74, limiting the savings realized by travel to the point where it actually costs \$59 more than purchasing the same items in 100 Mile House.

Of course, each household is different and may not fit within these example shopping scenarios. Still when considering the savings from shopping out-of-town, it seems less beneficial than first meets the eye. The results of this 'basket of goods' comparison illustrates that the cost savings are marginal at best when leaving 100 Mile House to shop for regular grocery and select household items. Then, when the cost of fuel, meals and impulse items are added to the travel costs, shopping locally is clearly advantageous.

Many of our shopping habits changed permanently as a result of the pandemic. Now, recent inflation is further changing how and where we are shopping and many of us are becoming more analytical of our spending. Shopping habits and items purchased will vary, but we hope this 'basket of goods' exercise encourages residents to evaluate their spending habits closely and determine if it's really worth traveling out of town.

10 tips to keep your dollars local while still finding savings:

1. Track your spending and savings
2. If you have a pantry, buy items in advance when they're on sale
3. Create a meal plan using weekly sale items listed in flyers
4. Avoid pre-packaged meals – instead make meals from scratch
5. If you have freezer capacity, stock up on sale items and freeze them for later
6. Price matching with the use of apps and competitor flyers
7. Create a grocery list before going to the store and avoid impulse purchases
8. Choose generic brands
9. Sign up for rewards programs
10. When buying furniture consider second hand or annual sales

