

Journal of Rural and Community Development

Exploring the Purchasing Experience of Cross-Cultural Consumers in Northern Remote, Rural Communities: Thompson, Manitoba

**Authors: Jaime Cidro, Mark Matiasek, Tyler Craig, Manveer Dhillon,
Lynelle Zahayko**

Citation:

Cidro, J., Matiasek, M., Craig, T., Dhillon, M., & Zahayko, L. (2014).
Exploring the purchasing experience of cross-cultural consumers in
northern remote, rural communities: Thompson, Manitoba. *The Journal of
Rural and Community Development*, 9(4), 64-79.



**BRANDON
UNIVERSITY**
Founded 1899

Publisher: Rural Development Institute, Brandon University.

Editor: Dr. Doug Ramsey



Open Access Policy:

This journal provides open access to all of its content on the principle that making research freely available to the public supports a greater global exchange of knowledge. Such access is associated with increased readership and increased citation of an author's work.

Exploring the Purchasing Experience of Cross-Cultural Consumers in Northern Remote, Rural Communities: Thompson, Manitoba

Jaimie Cidro

University of Winnipeg
Winnipeg, Manitoba, Canada
j.cidro@uwinnipeg.ca

Mark Matiasek

University College of the North
Thompson, Manitoba, Canada
mmatiasek@unc.ca

Tyler Craig

University College of the North
Thompson, Manitoba, Canada

Manveer Dhillon

University College of the North
Thompson, Manitoba, Canada

Lynelle Zahayko

University College of the North
Thompson, Manitoba, Canada

Abstract:

Thompson is the largest community in northern Manitoba which was built originally to service the mining industry. This community has faced challenges in providing effective customer service and sufficient goods to meet local demands. Like many other resource based communities in northern Canada, the human resource base includes transitory workers, a large First Nations and Metis population and in recent years an increasing immigrant and temporary foreign worker population. As a service centre for northern Manitoba, it is critical to maintain a robust retail and service sector which meets the purchasing needs of the community. This research explores some of the nuances of purchasing patterns through primary and retail service sector gaps, experience of residents with customer service, and the role of various cultural groups and variations in purchasing experiences. Our findings indicate that there were low levels of customer satisfaction and there was a need for cross cultural customer service. Respondents also indicated that the limited availability of products and services in the community resulted in retail leakage. While the economic livelihood of this community is not solely tied to resource extractive industries such as mining, the link is significant enough to merit significant vision by local leadership to ensure that the economy is diverse and responsive to the economic, social and cultural climate of the region.

Keywords: northern Canada, cross cultural, retail leakage, customer service

1.0 Introduction

Retailing in remote, northern Canada has unique challenges such as providing effective customer service and maintaining adequate inventory to meet local market needs. These challenges are often a reflection of the fact that rural and remote communities in northern Canada face significant challenges in local business development and supporting the growth of entrepreneurship. Thompson, Manitoba, is a community that was built to service the newly opened INCO mine after nickel was discovered in the area (AECOM, 2010). As the largest community in northern Manitoba, Thompson's role as a service centre for outlying communities and First Nations communities has earned it the title 'Hub of the North' (AECOM, 2010, p. 4-2). Thompson is now in a precarious position due to the impending 2015 closure of the smelter and refinery at the nickel mine, and the need for economic diversification to maintain Thompson's role as a service centre has been identified as a priority (Thompson Economic Diversification Working Group [TEDWG], 2013; AECOM, 2010). Thompson's socio-economic landscape is reflective of many resource based communities in northern Canada which are comprised of many transitory workers, a large First Nations and Metis population, and in recent years an influx of immigrants and temporary foreign workers (TFW) to meet labour shortages (Government of Manitoba, 2011).

A robust retail sector is critical to the economic sustainability of Thompson and is essential in order for Thompson to maintain its service centre role. Chalmers et al. (2012, p. 108) assert having a "variety of retail shopping options in a given community is... seen by many residents and visitors as ... an attractive feature in itself". In order for economic diversification to be successful, the opinion of local residents on the variety of shopping options is important. A strong retail and service sector, providing reasonable wages, training opportunities, and businesses that are responsive to the needs of regional residents is essential for the community's sustainability. The intensive focus on the development of natural resources, mainly through the mines and hydro-electric projects has meant that other economic areas have had considerably less focus. As Loxley (2010, p. 138) states "[in Northern Manitoba] resource development continues to be emphasized at the expense of community development". While Thompson is geographically and strategically located to be the service and retail hub of the north, little work has been done to explore purchasing experiences of Thompson residents. This research sought to begin this exploration by understanding some of the nuances of purchasing patterns. This project was exploratory in nature and sought to identify: (1) the primary retail and service sector gaps for Thompson and regional residents, (2) experiences of residents with customer service, and (3) whether different cultural groups within the community had different purchasing experiences.

This project was a collaborative effort between the University College of the North¹ and the local economic development agency, Thompson Unlimited. Over a period of eighteen months, respondents were asked about their purchasing experiences in Thompson which provided some insight into the challenges facing consumers, as

¹ The University College of the North is Manitoba's newest academic institution and was formed in 2004 when Keewatin Community College received university status.

well as the potential challenges for business owners. Two main themes were identified: customer service and retail leakage. Attempting to address purchasing issues is an important challenge for communities such as Thompson, who struggle to recruit and retain qualified personnel and maintain a sustainable economy. Providing local community members with a positive experience around purchasing may alleviate some of the high turnover rates of staff and result in a more stable northern economy. This paper provides some background on Northern Manitoba and Thompson's economy. This is followed by a discussion of the concepts which helped to shape the research including retail leakage, retail and service sector labour relations, and the social and cultural landscape of Thompson. A review of the methodology employed is followed by findings and discussion.

2.0 Northern Manitoba

Thompson was built in the 1950s with the sole purpose of servicing the employees of the nickel mine (AECOM, 2010). For many years, there was little incentive or need to diversify the economy beyond mining. Consequently with the impending reduction in mining activities, the future of Thompson is very uncertain. With 1,424 employees at Vale's Manitoba operation in Thompson there is an obvious dependence on the mining industry in this community (AECOM, 2010). Despite this dependency, the *Thompson Sustainable Community Plan* describes a strong public service pillar with a combined workforce of 1,413 employees (AECOM, 2010). Notable employers include Calm Air, Smook Brothers Construction and Manitoba Hydro (AECOM, 2010). In addition, Thompson is unique in that it has two post-secondary institutions: the University College of the North and the University of Manitoba Northern Social Work Program. The availability of post-secondary academic, college and trade apprenticeship programs means that Northern residents can obtain a post-secondary education without leaving the North. With a regional trading area of 40,000 residents in Northern Manitoba (AECOM, 2010) there is a viable service sector providing essential goods and services to the region. Thus while the precedent in Northern Manitoba was to simply abandon towns at the end of mining operations without planning for the sustainability of the community (Loxley, 2010) this is an unlikely scenario for Thompson. The Thompson Economic Diversification Working Group (TEDWG) has been working to bring to reality the vision of Thompson as a "regional service centre with a strong mining pillar" (TEDWG, 2013, p. 11).

Thompson is situated in a region surrounded by smaller towns as well as smaller First Nations and Metis communities in Northern Manitoba. As Loxley (2010, p. 137) states, "economic development in Northern Manitoba has placed a strong emphasis on resource extraction such as mining, forestry and hydro-electric power generation to meet the needs of the 'South'. There is a wide socio-economic disparity between Thompson, created as a mining community and the First Nations communities which were created as a result of the *Indian Act*. The Indigenous people in Northern Manitoba, the Cree, Dene and Oji-Cree nations, have been inhabitants of the region for thousands of years. Henley (1990, p.5) states: "[t]o a large extent, resource development activities have ignored the social, economic and environmental impacts and costs accruing to Aboriginal people in Northern Manitoba". Consequently, First Nations and Metis communities have high rates of unemployment although some continue to engage in traditional hunting and fishing activities (Henley, 1990). Northern Manitoba is highly susceptible to economic downturns, evident in communities such as Leaf Rapids and Lynn Lake with the

mine closures, and the pulp mill closures in The Pas and Pine Falls (Loxley, 2010). As a result, economic diversification efforts have shifted the focus of economic activity from resource extraction to a more broad based economy for at least 20 years (Henley, 1990; Northern Mayors and Chiefs Forum, 2000; TEDWG, 2013).

Similar to provincial and national trends, Thompson has seen an increase in the number of non-Canadian born residents locating to the community. Northern Manitoba is the fifth most popular destination for permanent residents in the province. In 2008, Northern Manitoba had 81 permanent residents settle in the region, which increased to 143 in 2009 and 183 in 2010 (Government of Manitoba, 2011). Significant increases in permanent residents were seen in Thompson specifically; 63 located to the community in 2008 while 141 new permanent residents moved to the city in 2010 (Government of Manitoba, 2011).

Thompson's economy is not dissimilar from many northern, remote communities. The retail landscape has also been shaped by these larger economic forces which have placed challenges on the business community and leadership to ensure that those who participate in the economy have their needs met. Thompson, like other northern Canadian communities such as in British Columbia's northern interior, are under threat of a weakened economy as industry adopts an economic rationale towards the communities resulting in weakened local businesses. As industry attempts to become leaner and more flexible "certainty and stability were drastically reduced for local retail outlets, contractors, and service businesses" (Martin, 2013, p. 169).

Thompson has been left with the task of diversifying the resources based economy and attempting to demonstrate their assets to industry, rather than the other way around (Young, 2006). Economic development activities around the retail and service sector have not met these challenges, and the community continues to struggle to maintain qualified staff in all sectors, keep unemployment rates low, and have a society that promotes cultural diversity. These topics will be explored as a basis for understanding some of the factors that influence the retail and service sector for residents of Thompson.

3.0 Thompson's Economy

Thompson's economy was founded on the resource extraction industries of mining, forestry, and hydroelectricity. These industries have historically formed the pillar of national policy and positioned Canada as a world class producer and exporter of minerals, forestry products and energy. Although primary industries are increasingly becoming less important in the overall economy, the large reliance on natural resources has implications that are particularly challenging for the economy and society of the Thompson region and Northern Manitoba.

Thompson relies primarily on imported products. There is a lack of locally produced goods in the community. Government is relied upon to support the existence of communities such as Thompson. The result can be described as a divergent economy like most developing economies we see in parts of the global south. In attempting to understand the economy of the region, it is important to distinguish between an open economy and an integrated economy in regards to the Thompson region. These types of economies could be concurrent or exclusive systems. An open economy is one where there are economic activities between the community and outside regions. Trades of goods and services, investment funds, and the migration of people flow through geographical boundaries unhindered, thereby securing economic freedom

and choice. In an integrated economy, there is also economic freedom and choice, however, the guiding economic policies, goals, profits and plans of businesses, communities and financial institutions are unified to work for the exchange benefit of all geographic regions involved. Profits are reinvested in linkages between industry and economic institutions.

Economic integration requires reinvestment into the regions where industries operate to further facilitate commerce and local growth. Martin (2013) described the tensions in northern resource based communities as being based on a set of outdated expectations. In reference to the forestry industry, Martin (2013) stated that “communities strongly feel the forest industry has a responsibility to address employment stability and play a role in community development” (p. 168). This assumption by communities is often based on the history of linking resource extractive industries to community stability.

Loxley (2010, p. 143) also described how vulnerable communities, such as Thompson, which rely on this assumption become:

The north remains essentially a resource economy, subject to all the vicissitudes and trends of resource economies generally, this includes plant closures in mining towns such as Leaf Rapids; pulp mill closures, as in The Pas and Pine Falls; huge commodity price fluctuation and the long term dispensing of labour. Thus, between 1986 and 2006, the number of people employed in the primary sector of the North fell from 4,820 to 3,295 or by almost a third.

Industry is integrated with economies elsewhere and worldwide through exports and not integrated with the communities they reside in. Northern Manitoba therefore remains a strictly capitalist and exploitative region, and consumers experience gaps in goods and services resulting in spending of consumer dollars outside of the region. Communities like Thompson remain vulnerable and in a circumstance where industry and communities are pitted against one another “leaving communities with an increasingly uncertain future” (Martin, 2013, p. 162). The economic development challenge has remained consistent for communities such as Thompson: that the government remains the largest employer either through subsidized investment or direct investment. As Loxley (2010, p. 137) notes, this has “not improved the economic base, so the ability to sustain these economies through their own taxes and incomes is simply not there.”

4.0 Conceptual Framework

Three main concepts guided our understanding of purchasing experiences of Thompson and regional residents. We began with an understanding that not all purchasing was done within the region, and that retail leakage would need to be explored. We also knew that while availability of goods and services in Thompson was important, it was equally important for consumers to have quality purchasing experiences in terms of customer service and labour relations. The third area which required more in depth understanding was the social and cultural landscape of the region given the recent flux of immigrant workers, along with the Aboriginal and non-Aboriginal population. Literature was explored in these three areas which assisted in shaping the methodology.

4.1 Retail Leakage

Retail leakage is a result of the inability of local retail businesses to meet the purchasing needs of local residents (Chalmers et al., 2012). Retail leakage is also an important factor in constraining potential growth opportunities (Mushinski & Weiler, 2002). Chalmers et al. (2012, p.109) state that people prefer to shop at the closest possible location and “local customers provide a much more proximate, stable, and consistent market”. The role of social capital in curbing retail leakage is also discussed in the literature. Social capital refers to the extent to which residents, know and trust one another and have accepted the norms of community reciprocity (Putnam, 1993). Higher social capital means that the community is able to work together to solve common problems to improve the quality of life. Bridging social capital is a more ideal system for reducing retail leakage because it promotes a community culture of successful economic development (Agnitsch, Flora & Ryan, 2006). As Besser and Miller (2013) state, business owners in small remote, rural communities make use of “bridging social capital”, including belonging to business networks, and are more likely to be innovative, and cooperate with other businesses, including taking more risks such as expanding services and bringing in new or a larger volume of products. Rural towns that have high levels of social capital have residents who are more likely to shop local than travel to other retail establishments (Miller, 1998).

The proliferation of e-commerce presents an opportunity and a threat to retailers (Michalek & Calder, 2003). E-commerce is a fluid term that encompasses not only transactions conducted online but also the search for product information, price comparisons and the search for other information to assist in purchasing decisions (Michalek & Calder, 2003). Other e-commerce includes buying and selling of goods in local online social media sites (such as Kijiji). Consumers who participate in these purchasing practices avoid participating in mainstream retail businesses.

The *Thompson Community Sustainability Plan (2011)* acknowledges that “there is a significant desire on the part of local residents for new retail development in Thompson” (AECOM, 2010, pp. 11-5). The issue of retail leakage is important because it relates to employment opportunities (Northern Mayors and Chiefs Form, 2000) but also fosters an increased sense of community and reduced high staff turnover facing many of the large regional employers. Chalmers et al. (2012) assert that retailers with a loyal local clientele provide them with an opportunity to quickly respond to emergent market trends and adjust their products accordingly, contributing to the stability of the local retail sector. As the *Thompson Community Sustainability Plan (AECOM, 2011)* recommends, identifying gaps in retail goods and services will assist in retailers being able to respond to needs and help to reduce retail leakage.

4.2 Retail and Service Sector Labour Relations

While the retail sector employs a significant number of people in Thompson, it is not considered to be a good job (FemNetNorth, 2012). For example, retail employees tend to work irregular shifts. In Thompson, where there is a lack of extended childcare hours, retail employment is challenging for those who must find childcare while they are working (FemNetNorth, 2012). For employers, retail labour costs are perceived as “a cost that is to be minimized and reduced as to provide a better margin or to realize a higher proportion of surplus value” (Wrigley & Lowe, 1996, p.182). The trend for retail employers is to pay low wages, often with little opportunity for

professional development or advancement. However, there are exceptions as there are “some employers [that] pride themselves and their staff on the service provision” (Wrigley & Lowe, 1996, p.193). Thus, “workers [who] are... denied any genuine skills training to assist customers, do not have the time or opportunity to provide a genuine service” (Wrigley & Lowe, 1996, p.206). A paradox is formed when communities such as Thompson struggle significantly with recruiting and retaining competent staff despite the high rates of unemployment. Thompson’s unemployment rate sits at 6.9% which is higher than the provincial rate of 5.5% (TEDWG, 2013). In looking at the Aboriginal population, TEDWG (2013) reports that 14.2% of the Aboriginal population in Thompson is unemployed and the Aboriginal population in the region has an unemployment rate of 24% (TEDWG, 2013). This suggests that recommendations made to increase accessibility of childcare, improve skills and training opportunities and provide supportive services for new entrants into the workforce may address the skills shortage while reducing unemployment (TEDWG, 2013; FemNetNorth, 2012).

4.3 Socio-Cultural Landscapes

The dichotomy of the socio-cultural landscape of Northern Manitoba is very pronounced. Thompson has the largest per capita population of Aboriginal people living in a Canadian urban areas where one in three people identify as Aboriginal (Statistics Canada, 2010). Understanding the social and cultural landscape is connected to contextualizing consumer patterns in Thompson. According to Loxley (2010), there is a common understanding that divides the North into a white, industrial modern north and an Aboriginal backward, traditional north. At one end of the spectrum are those who earn high wages in the resource extraction industries and other professional sectors of the economy. These consumers may have high expectations of quality in their purchases. At the other end are consumers who are living in poverty and experience chronic unemployment. Many regional residents come to Thompson from the outlying First Nations and Metis communities and are trying to make essential purchases of food, clothing and other household supplies in the most cost efficient manner possible.

Manitoba’s participation in the Provincial Nominee Program has been successful in placing immigrants in rural communities such as Thompson. Immigrants tend to have higher educational attainment with 51% possessing a university degree at the bachelor level or above which is 3 times the average for Canadian residents (19%) (Government of Manitoba, 2011). In many cases the educational and experience profile does not fit within the industry or professional standards in Canada, and new immigrants find themselves either retraining, or taking jobs for which they are over qualified and over skilled. Thompson is the sixth top destination in Manitoba for immigrants (Government of Manitoba, 2011) and we can expect this to increase as the community develops further. There is not yet specific data on the types of ethnic communities that are forming, however there is visual evidence that there is an increasing presence of Southeast Asians such as Filipinos, South Asians such as East Indians and Middle Easterners such as Iraqis in Thompson. Many of these people come to work in skilled professions such as engineering, to open businesses such as restaurants or are working in lower skilled jobs despite their levels of education and experience.

Many businesses have had to rely on TFWs or newcomers to Canada to fill many of the low skill and low paying positions in much of the retail sector because of the challenges of recruiting and retaining local employees. To close the gap, the

Northern Manitoba Sector Council recognizes that issues of “undereducated, underemploy[ed], and not as mobile as workers from the South” (Martin, 2011, p. 5) need to be addressed as part of a human resource development strategy for northern Manitoba.

Loxley (2010) offers other explanations such as the absence of skills, failure to adjust to job opportunities, excessive population growth rates, lack of leadership, and remote locations as the main source of underdevelopment. While this may not provide a comprehensive understanding for the reasons of income disparity in Northern Manitoba, these are issues that cannot be overlooked in economic diversification and job creation strategies. Howard, Edge and Watt (2012, p. 25) recognize that “[some] managers responsible for hiring may view Aboriginal workers negatively due to stereotypes”. In addressing these challenges, TEDWG (2013) recognized the potential for partnerships for community stakeholders such as different community organizations, educational institutions, government and industry which can be built on and strengthened. An increase in collaborative efforts between Aboriginal people, non-Aboriginal people and recent immigrants will foster economic development providing equal opportunities for all residents of Northern Manitoba.

This project focused on the purchasing patterns for different populations in the community to provide a more nuanced look at who is purchasing what goods and services, the challenges they face in doing so, and the mechanism(s) they use to meet their purchasing needs. Due to this relatively unexplored topic, a quantitative approach was used as the methodology, which is described below.

5.0 Methodology

Engaging in research attempting to discern consumer behavior within a specific national, regional culture, subculture, ethnic group, minority and immigrant group is referred to as “cross-cultural consumer research” (Cornwell & Drennan, 2004, p.109). This research looked at two sub-populations within the Thompson region in Northern Manitoba, Aboriginal and non-Aboriginal consumers, with an attempt to understand behaviors and preferences around purchasing. While the overall purpose was not necessarily focussed on distinguishing the consumption patterns between the Aboriginal and non-Aboriginal population, it was done to identify whether any disparate differences existed between the two populations.

This research effort was a collaboration between Thompson Unlimited (the City of Thompson’s Community Development Corporation) and a faculty member at the University College of the North (now at the University of Winnipeg). Costs of research were shared between the UCN and Thompson Unlimited. The survey was developed by the research team and an ethics application was submitted and approved by the UCN Research Ethics Board.

This research used baseline surveys at three different locations during three time periods. Minimal changes were made to the three sets of surveys. A one page survey asked questions on ethnicity, home community, and issues affecting shopping experience, customer service, shopping patterns within Thompson and outside of Northern Manitoba, and online shopping. The survey contained primarily close ended questions including Likert scale questions along with some open ended questions at the end. Surveys were pretested with scholars working in the area, as well as practitioners living in Thompson. Undergraduate students from the

University College of the North were trained as research assistants and collected all of the surveys.

Data collection was divided into three phases. The first phase began in the winter of 2010 with the administration of surveys on the weekends when the winter roads were officially open and regional residents from the outlying communities were able to travel into Thompson. During the opening of the winter roads from December 2010 until March of 2011, 137 surveys were collected. Respondents were randomly selected while shopping throughout the day and evening at the main local stores (Walmart, Safeway, and the local mall). The research assistants approached shoppers carrying what appeared to be recently purchased items and asked them to voluntarily participate in a survey. In exchange for participating in the survey, respondents received one free five dollar (\$5.00) Tim Horton's gift card. The research assistants worked in groups of two.

The second phase of data collection occurred during the summer of 2011. Fifty surveys were collected from respondents at the Thompson Regional Airport, as many respondents were bringing cargo back to their home community. Respondents were randomly selected while waiting in the departure area and asked to volunteer to participate in the survey. As in phase one, respondents received a five dollar gift card.

The third phase of the project involved online surveys to a more general Thompson and regional audience, and 250 surveys were collected. Additional questions were added with a focus on "e-commerce". Respondents who wished to receive a gift card sent an email through the online survey tool with a mailing address. Research assistants mailed all respondents who submitted an email with a gift card.

The desired sample size was 450. This was based on a population size of the Burntwood Regional Health Authority ²of 48, 080 people. The total number of surveys collected was 437, which means that we are 95% confident that this sample is representative of the population +/-4.6%. We employed primarily descriptive analysis including frequencies, percentages and cross tabulations. The data was coded and analyzed in SPSS software (Statistical Package for the Social Sciences, Version 19).

6.0 Limitations

Understanding consumer behaviour within the context of northern Canadian communities has had little attention paid by scholars. As a result, this research was exploratory in nature, and was unable to explore larger implications of factors such as income and education level on consumption patterns. However, this type of demographic data would have provided a much greater breadth of understanding of such patterns. In addition, further demographic information such as whether the respondents were immigrants to Canada, from northern Manitoba or from another province may have also provided some interesting distinctions that were not discernible through the survey that was utilized.

Another limitation of this research is that data was only collected from the consumers and not from the retailers. As a result, the data provides only a partial

² The Burntwood Regional Health Authority was amalgamated to form the Northern Regional Health Authority. The former RHA which our population sample size is based on encompassed all of northern Manitoba except for The Pas and Flin Flon regions and Churchill.

picture of the purchasing issues facing Thompson. Further research should pose the same questions to retailers in order to enable more rigorous correlational testing.

7.0 Findings

The main focus of these findings fall into two broad categories: (1) selected dimensions to customer service and (2) retail economic leakage. Retail leakage refers to the trend of purchasing not only outside of Thompson, but also outside of Northern Manitoba as it relates to the lack of availability of products and services and the trend towards online shopping.

7.1 Dimensions of Customer Service

The issue of customer service was indicated by survey respondents to be a significant issue in terms of purchasing locally. Only 9% of respondents indicated that they were satisfied with customer service (n=354) and 69% were unsatisfied with customer service. The remaining 22% were neither satisfied nor dissatisfied.

Aboriginal respondents were slightly less dissatisfied with customer service, with 57% indicating dissatisfaction, and 14% being satisfied. Twenty-nine percent (29%) of respondents were neither satisfied nor dissatisfied with customer service. The amount of money spent seemed to have little relationship to level of customer satisfaction. Regardless of whether respondents spent lesser amounts of money (less than \$500), their levels of satisfaction did not differ significantly. Thirty three percent (33%) of customers spending less than \$500 were dissatisfied with customer service, 41% were neither satisfied nor unsatisfied, and 26% were satisfied (n=51). For those respondents who spent the largest amount of money on their shopping, 40% were dissatisfied, 17% were neither satisfied nor unsatisfied, and 29% were satisfied.

Eighty one respondents provided qualitative responses to the question on customer satisfaction. Examples include: “customer service in this town is appalling: rude, not knowledgeable, no care or concern for their place of employment, carrying on conversations with other staff members while ignoring you (in another language as well), overall horrible” (Survey Respondent [SR] #7). The number of out of town respondents are dissatisfied at a level of 42% and are satisfied at a level of 21%. These respondents are primarily from the outlying Aboriginal communities. Other issues affecting shopping experience include items being too expensive (31%), business hours (29%), the winter roads (25%), and language (15%).

Questions related to customer service training were not asked in the survey, however seven respondents did provide some qualitative responses which are worth noting. One respondent indicated: “it doesn't matter what opens up here, you cannot get decent staff. I feel bad for business owners here that have a very shallow pool of potential employees that are worth the above average wage they pay them” (SR #7). Another respondent indicated: “it wouldn't matter... the culture created in Thompson would not sustain the business: spoiled kids and no patience to train Aboriginals. There is no vision of long term commitment to training or social needs” (SR #144).

7.1.1. Ethnicity and Customer Service. The increasing amount of TFW and recent Canadian immigrants to Canada coming to Thompson has created some interesting tensions and dynamics in the community and a perception of “they are taking our jobs away” despite the inability of businesses to recruit and retain local staff. This

tension is exemplified by this respondent “they have hired and fired most of the Aboriginals. Business is run by immigrants who cannot speak English” (SR #143).

Ethnic relations are critical considering the large urban Aboriginal population in Thompson and the number of First Nations and Metis communities in Northern Manitoba. There are only a few retail and service businesses owned by First Nations and Metis people in Thompson, yet our findings confirm that Aboriginal people from across the region strongly support local businesses such as restaurants, hotels, grocery stores and other retail establishments. Those who came from the outlying communities identified the cost of goods (31%) business hours (29%), winter roads³ (25%) and language (15%) as areas of concern impacting their shopping experience. The impact of Aboriginal people who live both in Thompson and in communities across the region are important yet there appears to be a low level of cross cultural competency with retailers. With Aboriginal respondents reporting a low level of customer satisfaction (14%) the issue of providing effective cross cultural customer service definitely merits further exploration in Thompson.

7.2 Availability of Products and Services and Retail Leakage

Related to the concerns over customer service, survey respondents also indicated that there was a lack of availability of products in Thompson retail stores. As one respondent noted “you have to go to three stores to get what you need” (SR #378). Almost 60% of respondents (n=397) indicated that they were able to buy everything they needed. Forty seven percent (47% of the Aboriginal respondents stated that they were able to purchase everything they needed) (n=161). When respondents were asked whether they had recently purchased outside of Northern Manitoba, there was a higher proportion of non-Aboriginal respondents (90%) who had. To a lesser extent, Aboriginal respondents have made recent purchases outside of Northern Manitoba (60%) (n=398). This trend is also evident in comparing the purchasing experiences of Thompson residents along with those in the outlying regional communities. Of the Thompson residents, 280 out of 329 respondents (85%) indicated that they purchased outside of Northern Manitoba. In terms of the outlying regional residents, only 32 out of 94 (34%) recently purchased outside of Northern Manitoba. However, we see that the Thompson regional residents are more likely to keep their purchasing dollars in Thompson and/or Northern Manitoba.

Eleven respondents provided a qualitative response to the reasons they shopped outside of Northern Manitoba. There were two respondents who indicated they shopped in Winnipeg as goods were cheaper there and six people responded by stating they left Northern Manitoba due to high prices. An additional four people mentioned that they were seeking more selection and quality goods that were not available in Northern Manitoba. Some of these responses include “cheap to shop in Winnipeg”, “lack of variety”, “better prices and better quality”.

The rates of out shopping are high, and the impact will only increase when high speed internet becomes available to the outlying communities. When we look at the amount of respondents shopping online, we see that there is a high prevalence among

³ Many communities in Northern Manitoba are dependent on the winter road system which usually opens from December to March. Warm weather affects the opening of the winter roads. At the same time travel on winter roads is risky with winter survival equipment essential as mechanical breakdown can leave a motorist stranded many kilometres from help.

both Aboriginal and non-Aboriginal respondents. Eighty nine percent (89%) of non-Aboriginal respondents and 59% of Aboriginal respondents are making recent purchases online (n=226). These numbers are very similar when looking at Thompson residents and outlying regional residents as shown. Eighty-one percent (81%) of Thompson residents and 57% of outlying regional respondents indicated that they purchased online (n=391).

The virtual places that respondents purchased from were broken down into four main categories: retailer websites (such as the Children's Place), online classified ads (such as Kijiji or the social media site Thompson Buy and Sell), online auctions (such as e-bay) and third party retailers (such as Ticketmaster). Forty seven percent (47%) purchased directly to retail websites, 22% purchased through online auctions, 18% purchased through third party retailers and 14% purchased through online classified ads.

8.0 Discussion

The ability to purchase the goods and services desired by community members is tied to the larger issue of sustainable economic development in Northern Manitoba. A large proportion of residents, especially within Thompson, are employed in professional level jobs, primary and secondary educational institutions, post-secondary institutions, the government sector and in the resource development industries. This economic strata has created a volume of purchasing power that is reflective for a trade, industrial and commercial 'hub of the north'. Discussion topics focus on (1) customer service and staff training, (2) ethnicity in labour composition, (3) selection of goods and services, (4) retail leakage and (5) socio-economic awareness.

There is a relationship between staff training and maintaining high standards of customer service. The *Labour Market, Employer Needs and the YWCA* report states that 51.8% of businesses in Thompson identified that having employees lacking essential qualifications such as literacy skills, communication skills and the ability to work as part of team resulted in reduced quality of service they provided (Marche, 2008). Moreover, 37.9% of employers identified that a lack of qualified staff resulted in decreased sales (Marche, 2008, p.4). Wrigley and Lowe (1996) assert that it is standard practice for retailers to minimize labour costs in order to maximize the profit margin. For national chains, there may be less flexibility to adjust wages; however individual businesses have the freedom to set their own employee wages. As one respondent stated: "[Thompson needs more] small family owned businesses with better selection and customer service" (SR #302). Chalmers et al. (2012) assert that locally owned businesses are more likely to adapt to local market fluctuations and therefore more adequately address local shopping needs. Another respondent stated: "More family owned businesses and restaurants, less franchises [are needed]..." (SR #353) The findings suggests that Thompson residents are prepared to shop at independent retailers and would like these retailers to invest in their employees to deliver a high standard of customer service. This is an important indicator of the need to build social capital in the community. Residents recognize that supporting local retailers and the service industry is important, in turn, they require employers invest in their staff around customer service training to improve their overall purchasing experiences.

The second area that the research identified was issues pertaining to ethnicity. Specifically the increase in TFWs and the ongoing lower employment rates of the

Aboriginal population were a concern for respondents. While this project did not intend to address either of these issues, it is important to note that remote communities such as Thompson will continue to see ongoing influxes of TFWs if labour shortages persist. While changes to the TFW program are making it more difficult for businesses to hire if there are available workers in the community, there will still be people who may be transitory who temporarily relocate to Thompson to fill in labour shortages.

Aboriginal populations are also one of the fastest growing in Canada, so urban centres such as Thompson will increasingly be under pressure to provide suitable education, training and subsequently employment opportunities. It will therefore be important for Aboriginal and newcomers including TFWs to have some shared cultural understandings about one another in order for the development of stable, sustainable economies. Connected to the dissatisfaction of customer service is the issue of trained and competent staff. While focusing on the resource sector, the TEDWG report (2013) identifies the lack of education as the leading cause of the high levels of unemployment in Thompson and states there are increasing needs to hire local northern and Aboriginal community members by retraining in areas that are essential for the economic development patterns that exist in the north. Thompson businesses struggle not only to recruit but also retain qualified staff

The third theme identified in the research was the local availability of goods and services in Thompson. As Chalmers et al. (2012) indicated when residents shop locally it not only results in a more robust service economy but also builds stronger relationships within the community. One respondent stated: "More needs to be done about the attitude people have towards Thompson [such as] more community events, community building, etc." (SR #17) In Thompson, a significant number of residents are employed in professional level jobs in elementary, secondary and post-secondary educational institutions, within the Government of Manitoba, as well as the resource development industries. Our findings suggest that the retail sector's response to the purchasing power of the higher earners is limited. For example one respondent noted that Thompson needed "a real yoga studio, preferably Bikram's hot yoga; none of this in the basement of a stinky church business" (SR #107) Another wrote: "[Thompson needs] more "sit down" restaurants, not fast food places... we definitely need more stores that... can be found in Winnipeg to stop people from having to make all those trips back and forth. I would love to have a clothing store that isn't either a Wal-Mart and super cheap" (SR #189). Yet, as Loxley (2010) asserts, there are two parallel economic realities, where alongside those who have earned high wages, there is also a rate of poverty. The combined factors of limited economic opportunities for Aboriginal people and geographic isolation present a daunting challenge for a retailer to serve the two economic realities that exist in Thompson. Deeper insight is needed into the present gaps in goods and services that if addressed, could contribute to a more robust retail sector to ensure Thompson's economic sustainability.

Our fourth discussion theme reflects on the trend of retail leakage. This can certainly be tied to the issue of limited availability of goods and also related to customer service issues. For a smaller urban centre, there are arguably few businesses such as retailers, restaurants and other service providers compared to large urban centers. The respondents indicated that there is a tendency to focus a large portion of their purchasing patterns outside of the community such as Winnipeg.

Furthermore, the high rate of those shopping outside of the region brings to light the challenges in harnessing purchasing power. While businesses cannot be expected to provide for every consumer demand, the proliferation of e-commerce as a consumer strategy to overcome geographic inconveniences for instance, provides challenges to all businesses, even beyond Thompson. Given the high rates of online shopping by all respondents, this social phenomenon indicates potential for further exploration as to whether the goods and services purchased online could be easily provided within the local business community at a competitive rate. This area was not explored in this research, but merits considerable attention in order to deal with the ongoing issues of out-shopping.

Retail leakage must also be considered within the context of location. Due to the remoteness of the region, commerce and shipment of goods is limited to the high cost of travel, the small populations and isolation of entire communities in Northern Manitoba. Consumption patterns will naturally indicate leakage towards larger commercial centres, however it is important to use a socio-cultural lens when examining retail leakage. Thompson is a relatively new urban centre, founded primarily to service the resource extraction industry, so many people in Thompson are not originally from Thompson. As a result, the remoteness of the community for many residents will incline the people to leave the north for periods of time. This includes summer vacations, winter holidays, and other periods of 'time off' from school and professions. As a result of leaving, residents travel to larger urban centres such as Winnipeg, and inevitably purchase goods and services that form part of the vacation experience.

Our final discussion theme reflects on the continual need for Thompson citizens to be conscious of the socio-economic forces shaping their communities. The continued state of underdevelopment in Northern Manitoba cannot be addressed without contextualizing the larger historical forces shaping economic and labour relations. One example is the issue of high rates of unemployment amongst the Aboriginal population, despite a labour shortage which is increasingly being filled by TFWs in the community. Economic integration would require the development of economic policy and management practices that serve to reinvest profits from industry back into the local economy. Otherwise, Thompson will continue to exist as a resource exporting economy exhibiting symptoms of underdevelopment. While Thompson's economy no longer relies solely on resource extraction industries and there exists a large human services sector (health, social services and education), the asset wealth of the region remains in the minerals and the foundation of this community remains tied to the resource industry.

While there are many advantages to living in Thompson such as access to outdoor activities and high wages, this community faces many challenges including high rates of criminal activity, challenging social issues such as homelessness, and a retail and service sector that is not meeting the demands of local consumers. For some residents, these factors may impact their willingness to make Thompson a place for permanent residency. These are important challenges that require significant vision and leadership within the community.

References

- Agnitsch, K., Flora, J., & Ryan, V. (2006). Bonding and bridging social capital: The interactive effects on community action. *Community Development*, 37(1), 36-51.
- AECOM (2010). *Thompson and planning district sustainable community plan*. Winnipeg, Manitoba, Canada: AECOM. Available at <https://cotcityhall.files.wordpress.com/2010/09/sustainable-community-plan-2010-10-12-final.pdf>
- Besser, T. L., & Miller, N. J. (2013). Community matters: Successful entrepreneurship in remote rural US locations. *International Journal of Entrepreneurship and Innovation*, 14(1), 15-27.
- Chalmers, K., Gessner, M., Venturoni, L., & Weiler, S. (2012). Stemming retail leakage with a sense of community: Leveraging the links between communal ties and shopping decisions, *The Social Science Journal*, 49(1), 108-113.
- Cornwell, T., & Drennan, J. (2004). Cross-cultural consumer/consumption research: Dealing with issues emerging from globalization and fragmentation. *Journal of Macromarketing*, 24(2), 108-121
- FemNorthNet Thompson (2012). *Women, economic development and restructuring in Thompson*. Ottawa, Ontario, Canada: Canadian Research Institute for the Advancement of Women, FemNorthNet Project.
- Statistics Canada. (2010). Aboriginal population profile for Thompson. Aboriginal Peoples Survey. (Publication 89-638-X No. 6) Ottawa, Ontario, Canada.
- Government of Manitoba (2012). Manitoba immigration facts: 2011 statistical report. Winnipeg, Manitoba, Canada.
- Henley, T. J. (1990) *An assessment of the prospects for sustainable development in northern Manitoba*. Winnipeg, Manitoba, Canada: Natural Resources Institute, University of Manitoba.
- Howard A., Edge, J., & Watt D. (2012) *Understanding the value, challenges, and opportunities of engaging Metis, Inuit, and First Nations workers*. Conference Board of Canada.
- Loxley, J. (2010). *Aboriginal, northern, and community economic development: Papers and retrospectives*. Winnipeg, Manitoba, Canada: Arbeiter Ring Pub.
- Marche, T. L. (2008). *Labour market, employer needs, and the YWCA*. Thompson, Manitoba, Canada: Bullmarket Consulting. Retrieved from http://issuu.com/bullmarketconsulting.com/docs/final-labour_market_and_employer_needs
- Martin, A. (2013). Entrenched instability: The community implications of flexibility in British Columbia's northern interior. *Journal of Rural and Community Development*, 8(3), 159-173.
- Martin H. (2011) *Building labour force capacity in Canada's north*. Ottawa, Ontario, Canada: Conference Board of Canada.
- Michalek, W., & Calder, L. (2003). Integration of e-commerce as a retail channel: Impact of youth on e-commerce trends in Canada. *Progress in Planning*, 60, 111-126.

- Miller, N. J. (1998). Local consumer spending: A reflection of rural community social and economic exchange. *Journal of the Community Development Society*, 29(2), p.166-185.
- Mushinski, D., & Weiler, S. (2002). A note on the geographic interdependencies of retail market areas. *Journal of Regional Science*, 42 (1), 75–86.
- Northern Mayors & Chiefs Forum (2000) *Moving together into the 21st century: Final forum report*. Thompson, Manitoba, Canada: Northern Manitoba Round Table.
- Putnam, R. D., Leonardi, R., & Nanetti, R. Y. (1993). *Making democracy work. Civic traditions in modern Italy*. Princeton, NJ: Princeton University Press.
- Rao, P. (2006). *The changing faces of family medicine in Thompson*. Summer Work Experience Paper. Winnipeg, Manitoba, Canada: University of Manitoba.
- SPSS. IBM Corp. (Released 2010). IBM SPSS Statistics for Windows, Version 19.0. Armonk, NY: IBM Corp.
- Thompson Economic Diversification Working Group (TEDWG). (2013, June). *Education and training draft final report*. Thompson, Manitoba, Canada.
- Wrigley, N., & Lowe, M. (1996). *Retailing, consumption and capital: Toward the new retail geography*. Essex, United Kingdom: Longman Group Ltd.
- Young, N. (2006). Distance as a hybrid actor in rural economies. *Journal of Rural Studies*, 22(3), 253-266.