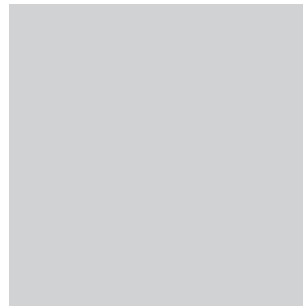
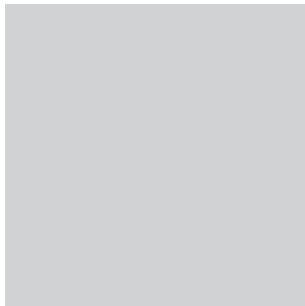
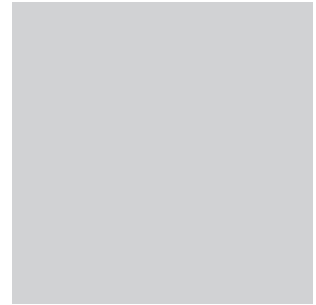
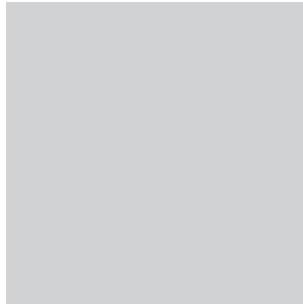

Food For Thought:
***A Case Study Analysis of the Food Retail Site
Selection Process***

Master's Report



By: Vincent Raso

A report submitted to the School of Urban and Regional Planning in Partial Fulfillment
of the Requirements for the Degree of Master of Planning (M.PL.)

School of Urban and Regional Planning
Queen's University
Kingston, Ontario, Canada
May 2013

Executive Summary

This report is a study of the site selection process examining the requirements and indicators behind food retailing site selection. In particular, the study focuses on urban locations, as they continually remain an area of underdevelopment for grocery stores. There has been minimal research conducted in the field of food retail location analysis or in other words the criteria used by supermarket chains in selecting locations for food stores. By expanding on existing literature surrounding the food accessibility challenges, planning for food retail in urban locations is the primary focus of this research. The study examines the indicators and requirements of the food retail site selection process and how they can lead to the establishment of food stores in urban markets. The report addresses one main research question, further expanded by two sub-questions:

- 1) How can information about the indicators and requirements used in the food retailing site selection process be used to encourage supermarket development in urban locations?
 - a) What indicators and requirements do food retailers use for site selection?
 - b) How can food retailers and/or municipalities establish a market that encourages supermarket development in urban locations?

This study examines the food retailing site selection process in Ontario using two major Canadian food-retailing companies: Sobeys Inc. and Loblaw Companies Ltd. These two case studies act as the basis of the analysis for this report as it relates to the future development of grocery stores. The report used a variety of methods in order to successfully address the research questions. A literature review provided context while at the same time introduced the concept of planning for food retail. The majority of the information gathered for this report is through interviews with the Executives from Loblaw and Sobeys (Ontario), who are heavily involved in the site selection for supermarket development in Canada. Interviews collected information regarding the entire site selection process in order to understand the relationship between site selection and food retail development. Last, review of the available public documents relating to the case studies are used throughout the analysis of this report in order to corroborate the findings from the case study interviews.

Overall, there is a strong indication that the site selection process among food retailers remains the consistent. Even so, it is difficult to gather specific thresholds in relation to the discussed indicators used in site selection, as much of the information remains confidential. The report finds that there is a strong emphasis to ensure a strong market for a site, including a sufficient population base that meets the retailer's bottom line requirements. At the same time, there are several noted barriers in selecting urban sites for grocery stores, but both companies have made efforts to develop in urban markets. The study finds that there is strong evidence from food retailers to support that municipalities play a large role in encouraging urban supermarket development. From this analysis, a set of six recommendations was derived. The first three recommendations are for food retailers to encourage more effective urban developments:

- #1:** There is a need for a more transparent site selection process in order to effectively work with municipalities to develop food stores.
- #2:** Food retailers should continue to explore opportunities to diversify store formats to meet the needs of different communities.
- #3:** Food retailers need to understand the importance of the site selection process as it relates to city built form and food insecurity challenges.

The second set of recommendations is for municipalities to create more efficient planning processes that will encourage urban food store developments:

- #1:** Municipal planners need to understand the site selection process used by food retailers and the impact of the planning framework on the site selection process.
- #2:** Municipalities should offer incentives and programs that will encourage development of food stores in urban areas when appropriate.
- #3:** Municipalities should adopt plans that encourage growth and attract food stores to urban areas underserved areas by establishing comprehensive policies for food accessibility.

Insight into the site selection process can lead to better policies that will create a planning framework that encourages grocery development in urban markets. Food retailers and municipalities play a role in creating sustainable food systems and further understanding of these processes can lead to better food retail development practices in the future.