Shopping Habits and Information Sources of Rural and Urban Canadians

May 2011
Overview

Newspapers effectively reach Canadians with 8 in 10 reading in print or online each week. Media planners and advertisers generally target urban Canadians with their newspaper buys and overlook an opportunity: rural Canadians.

Presented are results from a study undertaken by Newspapers Canada to understand the differences between rural and urban markets. Rural markets were defined as those with populations of <10,000. Urban markets were those with populations of >100,000.

Rural Canada is home to a substantial 7 million people. These rural neighborhoods in Canada are attractive markets that newspapers and their sites effectively reach. This study highlights the power of Canada’s newspapers to reach a market that, in some cases, can not be reached successfully with any other media.
Study Design

• An online study of 800 Canadians undertaken by Totum Research on behalf of Newspapers Canada

• Timing: February 2011

• Community size: Rural (<10K population)
  Urban (100K+ population)

• Community size, age and gender targets were applied to ensure valid representation

• Media compared: Newspapers (print, online and flyers), TV, radio, other websites (all websites excluding newspaper websites), and other flyers (all flyers excluding flyers delivered via newspapers)
Spending
Rural Canadians spend **more** than urban Canadians on some products and services

<table>
<thead>
<tr>
<th>Product</th>
<th>Rural</th>
<th>Urban</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreational vehicles purchase &amp; servicing</td>
<td>$1,291</td>
<td>$509</td>
<td>+154%</td>
</tr>
<tr>
<td>Financial services</td>
<td>$506</td>
<td>$437</td>
<td>+16%</td>
</tr>
<tr>
<td>Health care</td>
<td>$2,319</td>
<td>$2,036</td>
<td>+14%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$11,101</td>
<td>$9,874</td>
<td>+12%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada: Expenditures by Size of Area of Residence, 2009
Rural Canadians spend about **the same** as urban Canadians on other products and services.

<table>
<thead>
<tr>
<th></th>
<th>Average Annual Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>Household operation</td>
<td>$3,444</td>
</tr>
<tr>
<td>Food</td>
<td>$7,206</td>
</tr>
<tr>
<td>Pet expenses</td>
<td>$848</td>
</tr>
<tr>
<td>Gasoline and other fuels</td>
<td>$161</td>
</tr>
</tbody>
</table>

Source: Statistics Canada: Expenditures by Size of Area of Residence, 2009
Travel time (and distance) to Stores
Rural Canadians **travel for longer** to get to most retail stores than do those in urban areas

<table>
<thead>
<tr>
<th>Store Type</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Dealership</td>
<td>46 min. (77 km)</td>
<td>28 min. (23 km)</td>
</tr>
<tr>
<td>Electronics Store</td>
<td>41 min. (68 km)</td>
<td>23 min. (19 km)</td>
</tr>
<tr>
<td>Shoe Store</td>
<td>50 min. (83 km)</td>
<td>25 min. (21 km)</td>
</tr>
<tr>
<td>National Department Store</td>
<td>57 min. (95 km)</td>
<td>26 min. (22 km)</td>
</tr>
<tr>
<td>Home Improvement/Hardware store</td>
<td>29 min. (48 km)</td>
<td>21 min. (18 km)</td>
</tr>
<tr>
<td>Clothing Store/Boutique</td>
<td>49 min. (82 km)</td>
<td>25 min. (21 km)</td>
</tr>
<tr>
<td>Local Department Store</td>
<td>34 min. (57 km)</td>
<td>24 min. (20 km)</td>
</tr>
<tr>
<td>Discount store</td>
<td>47 min. (78 km)</td>
<td>26 min. (22 km)</td>
</tr>
<tr>
<td>Supermarket</td>
<td>30 min. (50 km)</td>
<td>20 min. (17 km)</td>
</tr>
</tbody>
</table>

* To provide an estimate for distance, 50 km/hr used for urban and 100 km/hr used for rural

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Rural and urban Canadians spend about the **same amount of time** to get to these types of stores

<table>
<thead>
<tr>
<th></th>
<th>Average Time Taken to Get To Store (minutes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td>Drug Store/Pharmacy</td>
<td>22</td>
</tr>
<tr>
<td>Local Grocer</td>
<td>19</td>
</tr>
<tr>
<td>Bank/Financial Institution</td>
<td>23</td>
</tr>
</tbody>
</table>

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Frequency of Visiting Stores
Rural Canadians visit some store types more frequently than do those in urban areas.

<table>
<thead>
<tr>
<th>Store Type</th>
<th>Average Number of Visits</th>
<th>Visited 3+ Times in Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Dealership – excl. regular service (in a year)</td>
<td>1.1, 0.8</td>
<td>13%, 7%</td>
</tr>
<tr>
<td>Local Department Store (in 3 months)</td>
<td>2.5, 2.2</td>
<td>48%, 38%</td>
</tr>
<tr>
<td>Local Grocer (in one month)</td>
<td>2.9, 2.1</td>
<td>56%, 37%</td>
</tr>
<tr>
<td>Home Improvement/Hardware Store (in one month)</td>
<td>1.5, 1.1</td>
<td>18%, 8%</td>
</tr>
<tr>
<td>Discount Stores (in a month)</td>
<td>2.1, 1.9</td>
<td>33%, 28%</td>
</tr>
</tbody>
</table>

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
And other store types are visited **equally often** by people in rural and urban areas

<table>
<thead>
<tr>
<th>Store Type</th>
<th>Average Number of Visits</th>
<th>Visited 3+ Times in Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>Electronics Store (in 3 months)</td>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Shoe Store (in 3 months)</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>National Department Store (in 3 months)</td>
<td>1.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Clothing Store/Boutique (in 3 months)</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Drug Store/Pharmacy (in one month)</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Supermarket (in one month)</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Bank/Financial Institution (in one month)</td>
<td>2.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
By category:
Clothing & Footwear
Information sources referred to for information about Clothing and footwear

Canadians refer to newspapers far more than other media!
With no substantial differences between urban and rural.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which clothing and footwear are ever purchased

Canadians shop for clothing in-store. In rural areas, a smaller group, but more than those in urban areas, have shopped by catalogue.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
97% of Canadians shop for clothing in-store. In rural areas, a smaller group, 25% of the population, have shopped by catalogue. This is twice as many as in urban regions. Given it takes about double the time to travel to these retail stores in rural areas, understandably catalogue shopping is stronger.

Advertisers have the opportunity to reach rural clothing and footwear buyers effectively using newspaper advertising to drive them in-store. But in the ad, the convenience of their catalogue (either online or printed) should be highlighted to rural consumers (if one is available).
By category:
Cars & Trucks
Information sources referred to for information about Cars or trucks

- **Newspaper***: 45% Urban, 45% Rural
- **Other websites**: 50% Urban, 45% Rural
- **Television**: 18% Urban, 28% Rural
- **Other flyers**: 13% Urban, 12% Rural
- **Radio**: 6% Urban, 8% Rural

Canadians source information on cars and trucks from newspapers and other non-newspaper websites almost equally and use TV to a lesser extent.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which **cars and trucks** are ever purchased

- **In store**
  - Urban: 53%
  - Rural: 62%

- **Online**
  - Urban: 7%
  - Rural: 11%

- **Printed catalogue**
  - Urban: 3%
  - Rural: 4%

- **Other**
  - Urban: 11%
  - Rural: 19%

- **Never buy**
  - Urban: 33%
  - Rural: 21%

People in rural areas are more likely to have purchased cars or trucks than are those in urban areas.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Those in urban centres have greater access to a variety of transport options. Rural Canadians visit car dealerships more often than urban Canadians – as they likely need their own method of transportation. And as such, rural Canadians spend more annually on transportation and recreational vehicles. Advertisers have the opportunity to use newspapers to effectively reach this desirable, rural buying audience.
By category: Groceries
Information sources referred to for information about Grocery products

- **Newspaper***: 66% Urban, 70% Rural
- **Other flyers**: 41% Urban, 37% Rural
- **Other websites**: 10% Urban, 12% Rural
- **Television**: 7% Urban, 10% Rural
- **Radio**: 4% Urban, 5% Rural

Newspapers are referred to significantly more often for information about grocery products than are any other media by both rural and urban Canadians.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which **grocery products** are ever purchased

- **In store**
  - Urban: 97%
  - Rural: 97%

- **Online**
  - Urban: 3%
  - Rural: 2%

- **Printed catalogue**
  - Urban: 3%
  - Rural: 4%

- **Other**
  - Urban: 4%
  - Rural: 4%

Groceries are bought in store. There are no differences between rural and urban Canadians with respect to where they have bought grocery products.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
While there are generally few differences rural vs. urban, of note is the local grocer. This retailer garners an extra visit each month in rural regions (approx. 3 visits vs. 2 a month). Given this, the local grocer may want to increase their profile (in the paper where most look) to ensure that their store is the one visited.
By category:
Financial products & services
Information sources referred to for information about Financial products and services

Newspaper* 13 14
Other websites 29 31
Television 10 9
Radio 5 4
Other flyers 4 3

* Newspaper includes the newspaper site and flyers

Newspapers are second only to the internet as sources of information about financial products and services among all Canadians. Given today’s trend to online banking, this comes as no surprise.
Sources from which financial products & services are ever purchased

<table>
<thead>
<tr>
<th>Source</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>In store</td>
<td>60%</td>
<td>53%</td>
</tr>
<tr>
<td>Online</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>Printed catalogue</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Never buy</td>
<td>22%</td>
<td>27%</td>
</tr>
</tbody>
</table>

People in rural areas are slightly less likely to have ever purchased financial products and services than are those in urban areas.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Those in rural Canada are slightly less likely to have purchased financial services. Advertising to this group through newspapers could be effective especially given that rural Canadians tend to spend more on average annually in this area.
By category:
Household appliances
Information sources referred to for information about Household appliances

Newspaper*  Urban: 59%  Rural: 57%
Other websites  Urban: 39%  Rural: 40%
Other flyers  Urban: 29%  Rural: 37%
Television  Urban: 14%  Rural: 24%
Radio  Urban: 5%  Rural: 6%

Newspapers are referred to significantly more often for information about household appliances than are any other media by both rural and urban Canadians.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which household appliances are ever purchased

- **In store**: 71% (Urban) vs. 76% (Rural)
- **Online**: 7% (Urban) vs. 14% (Rural)
- **Printed catalogue**: 9% (Urban) vs. 14% (Rural)
- **Other**: 4% (Urban) vs. 4% (Rural)
- **Never buy**: 24% (Urban) vs. 21% (Rural)

People in rural areas are more likely to have purchased household appliances from all listed sources than are those in urban areas.

 Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Rural Canadians are more likely to have purchased from all sources: in-store, online and catalogue. Given that electronic stores and national department stores require more travel time to visit in rural areas, buying from all sources available is practical. An advertiser would be wise to feature all their buying options (retail locations, site and catalogue) in their newspaper ad to appeal to rural buyers.
By category:
Hardware/Home improvement products
Information sources referred to for information about Hardware/home improvement products

Newspaper* | Urban | Rural
-------------|-------|-------
Other flyers | 40    | 37    
Other websites | 30    | 37    
Television | 24    |      
Radio | 6     | 5     

Newspapers are referred to significantly more often for information about hardware and home improvement products than any other media by both rural and urban Canadians.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which **hardware/home improvement products** are ever purchased

By far, Canadians buy this category in store. There are a small proportion, slightly more in rural areas, that have purchased hardware/home improvement products from printed catalogues.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Hardware/Home improvement: Conclusions

About 80% of Canadians go to stores to purchase this category. Rural Canadians tend to frequent these store types more often in a month. And almost 20% of rural Canadians visit hardware/home improvement stores three times or more per month.

Given this predisposition by rural Canadians to these store types, an advertiser would be wise to highlight their store in the newspaper (which is referred to most for this category).
By category: Home electronics
Information sources referred to for information about Home electronics

Newspaper*:
- Urban: 54%
- Rural: 50%

Other websites:
- Urban: 51%
- Rural: 52%

Other flyers:
- Urban: 27%
- Rural: 36%

Television:
- Urban: 14%
- Rural: 21%

Radio:
- Urban: 3%
- Rural: 5%

Newspapers and non-newspaper websites are referred to for information about home electronics almost equally. Both are significantly stronger at reaching this market segment than are any other media among both rural and urban Canadians.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which home electronics are ever purchased

- **In store**: 88% (Urban) and 88% (Rural)
- **Online**: 30% (Urban) and 37% (Rural)
- **Printed catalogue**: 5% (Urban) and 5% (Rural)
- **Other**: 3% (Urban) and 5% (Rural)

While most purchase in store, people in rural areas are slightly more likely to have purchased home electronics online than are those in urban areas.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
While most purchase in-store, rural consumers are slightly more likely to purchase online. Given this predisposal, online advertising should be part of the buy. And specifically newspaper sites should be used as consumers indicate they are the most trusted source of online advertising with ads that are perceived to be more current, credible and relevant.¹

¹ Newspaper Association of America
By category: Healthcare products and services
Information sources referred to for information about Healthcare products and services

- **Newspaper***: Urban 49%, Rural 47%
- **Other flyers**: Urban 26%, Rural 33%
- **Other websites**: Urban 22%, Rural 18%
- **Television**: Urban 14%, Rural 10%
- **Radio**: Urban 4%, Rural 2%

Newspapers are referred to significantly more often for information about healthcare products and services than are any other media by both rural and urban Canadians.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which **healthcare products and services** are ever purchased

Almost all Canadians purchase in store. There are no differences between people in rural and urban areas in terms of where they have ever sourced healthcare products and services.

<table>
<thead>
<tr>
<th>Source</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>In store</td>
<td>90%</td>
<td>88%</td>
</tr>
<tr>
<td>Online</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Printed catalogue</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Newspapers are the key media sources for information in this area. Almost all purchases occur in-store. Advertisers should note that rural Canadians spend 14% more annually on health care products and services so they are ripe for communication on the topic.
By category: Travel
Information sources referred to for information about Travel

Newspapers are second only to the Internet as sources of information about travel among both rural and urban Canadians. While internet sites are frequented to book travel, newspaper ads are effectively used to drive traffic to these travel sites.

* Newspaper includes the newspaper site and flyers

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Sources from which travel is ever purchased

People in rural areas are less likely to buy travel than are those in urban areas. Those who do buy travel are less likely than urbanites to go online to source travel services.

Totum Research for Newspapers Canada, 800 Adults 18+; Online survey balanced by age, gender and community size: rural = populations <10,000, urban = populations >100,000; February 2011
Travel: Conclusions

Fewer rural Canadians indicate they purchase travel than urbanites. But when they do purchase travel, it is split equally between in-store and online (with online being considerably lower than in urban centres).

Newspapers are an effective place to communicate travel offerings to Canadians and can be used to drive visits to online travel sites. Advertisers are best to highlight their bricks and mortar stores as well as their online offerings to appeal to rural Canadians.