

# **Derby Retail Market Analysis**

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Research  
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## **Introduction**

The City of Derby requested an update by the Center for Economic Development and Business Research of the Derby Retail Market study conducted in 2000. In particular, as Derby has grown in total population, retailers would like to know how the customer base has evolved.

## **Methodology**

Two retailers participated in the 2006 study. One provided the zip codes of its customer base without frequency of visits. The other retailer allowed its customers to be surveyed on exit from the store for one week. The surveyed customers were asked how often they shop at that store, so that representative frequency data could be collected.

Market area was divided two different ways into primary, secondary, tertiary and other. The first method was to calculate the frequency of residential zip codes with the top 75 percent making up the primary area, the next 15 percent (from 75 percent to 90 percent) making up the secondary area, the next 5 percent of zip codes (from 90 to 95 percent) making up the tertiary area, with all other zips falling into the other category.

The second method was to analyze Derby shoppers within the Wichita Metropolitan Statistical Area (MSA) using zip codes for Derby, Sedgwick County except Derby and Wichita, the city of Wichita, and the remaining Wichita MSA (Butler, Harvey, and Sumner counties) zip codes.

## Results

### ***Market Areas by Residential Zip Code***

Using the combined data from both participating stores, and the percent of shoppers by zip, the following primary, secondary and tertiary market areas were defined:

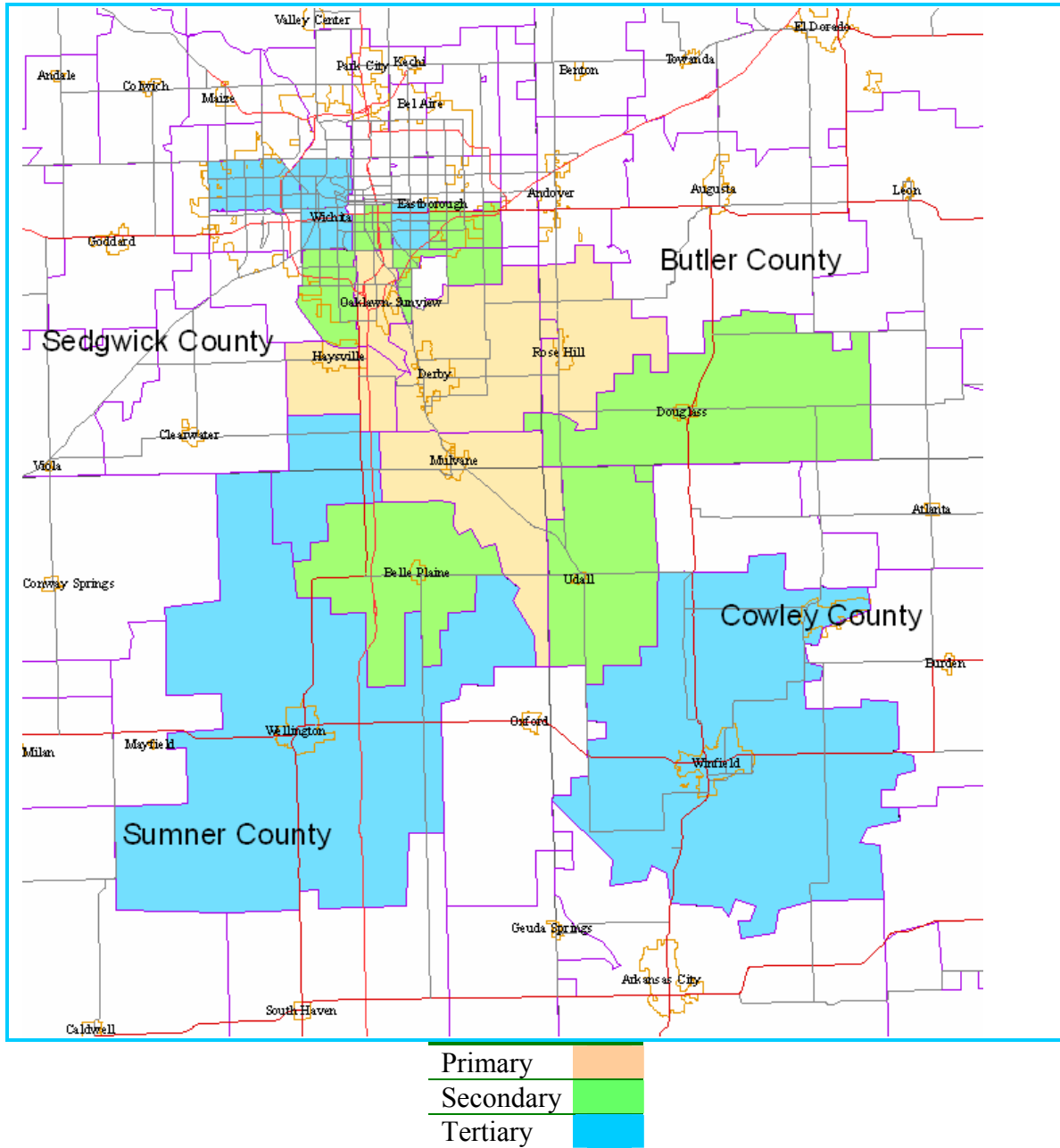
**Table 1. Derby Primary, Secondary and Tertiary Market Areas**

<b>Zip Code</b>	<b>City</b>	<b>Percent of Shoppers</b>	<b>Cumulative Percent</b>	<b>Market Area</b>
67037	Derby	43.42%	43.42%	Primary
67110	Mulvane	10.05%	53.47%	Primary
67060	Haysville	8.71%	62.19%	Primary
67216	Wichita	8.28%	70.46%	Primary
67133	Rose Hill	4.72%	75.18%	Primary
67217	Wichita	3.26%	78.44%	Secondary
67039	Douglass	2.80%	81.23%	Secondary
67013	Belle Plaine	2.49%	83.73%	Secondary
67146	Udall	2.11%	85.84%	Secondary
67210	Wichita	1.59%	87.43%	Secondary
67207	Wichita	1.27%	88.70%	Secondary
67211	Wichita	1.12%	89.83%	Secondary
67156	Winfield	0.92%	90.75%	Tertiary
67152	Wellington	0.91%	91.67%	Tertiary
67218	Wichita	0.91%	92.58%	Tertiary
67120	Peck	0.87%	93.45%	Tertiary
67213	Wichita	0.67%	94.12%	Tertiary
67212	Wichita	0.62%	94.74%	Tertiary
67203	Wichita	0.53%	95.27%	Tertiary

An additional 30 zip codes accounted for the remaining 4.73 percent of shoppers.

A map of these areas shows that Derby draws from the county areas, which is to be expected, but that it also draws from a number of Wichita areas as well, possibly based on accessibility via I235 and K15, or on employment in Derby which might make shopping in Derby on the way home easier than shopping nearer to home. Both possibilities offer marketing message opportunities for Derby retailers.

**Map 1. Primary, Secondary and Tertiary Market Zip Codes**



## Frequency of Shopping in Derby

In an effort to analyze shopping frequency, shoppers exiting one of Derby’s largest retailers were surveyed for one week. They were asked both their residential zip code and how often they shopped in Derby. Response choices were daily, more than once a week, weekly, monthly and less frequently than once a month.

These results were analyzed by both by the primary, secondary and tertiary market areas defined above and by zip codes in four specific areas within the Wichita Metropolitan Statistical Area: Derby alone, Sedgwick County outside of Derby or Wichita, Wichita alone, and Butler, Harvey and Sumner Counties (Wichita Metropolitan Statistical Area except Sedgwick County).

### **Primary, Secondary and Tertiary Markets**

Based on the primary, secondary and tertiary market areas, responses to the question of how often they shopped in Derby, responses showed that shoppers from the primary zip codes were more likely to shop in Derby once a week or more often, while shoppers in the secondary and tertiary areas were more likely to shop weekly or less often in Derby.

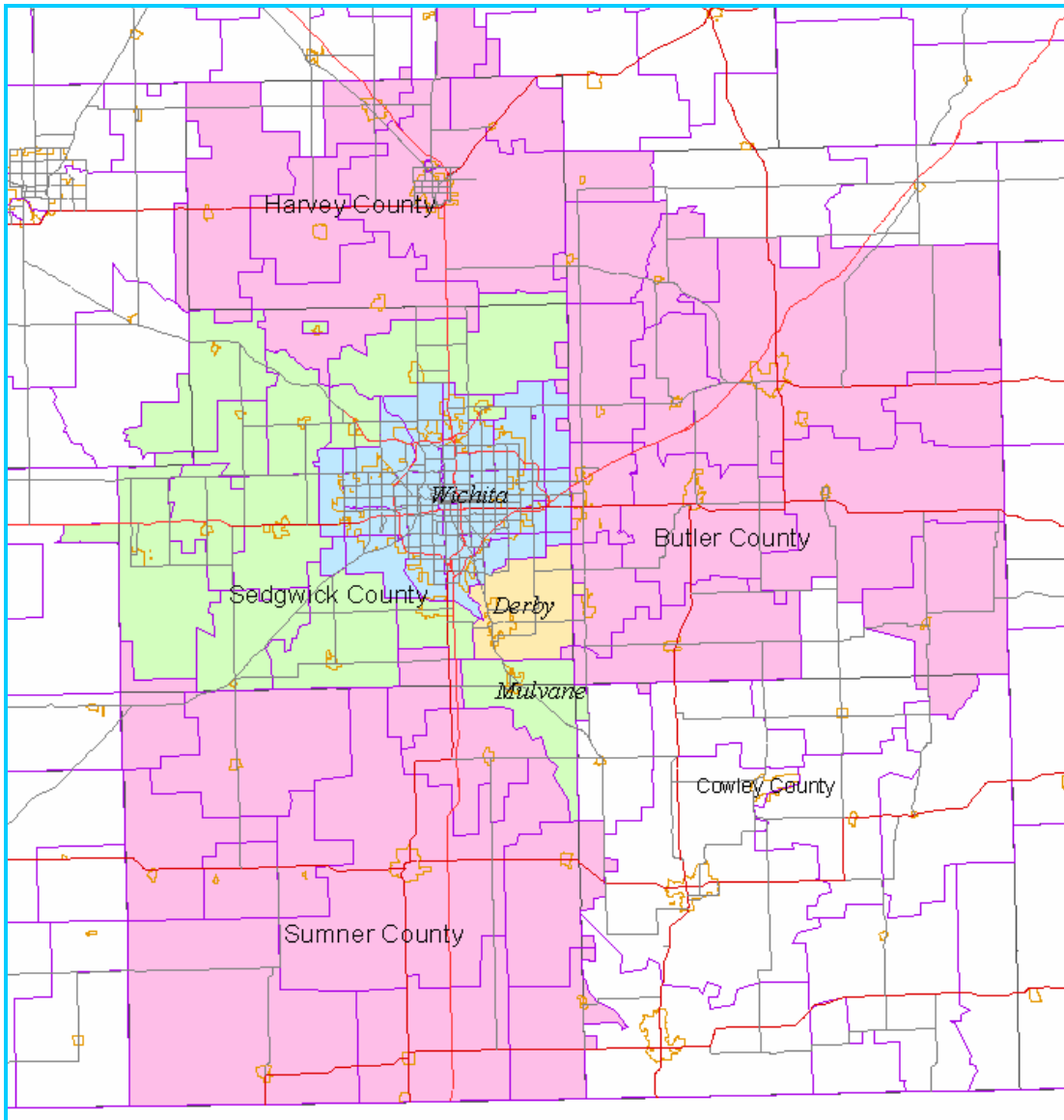
### **Metropolitan Statistical Area Markets**

To provide a somewhat different view of the market, shopping frequency was also analyzed by the four areas that comprise the Wichita MSA; Derby alone, Sedgwick County outside of Derby or Wichita, Wichita alone, and Butler, Harvey and Sumner Counties. Based on retailer experience and survey research, approximately 37 percent of shoppers are Derby residents, while 21 percent live in Sedgwick County outside Wichita and Derby, 27 percent live in the city of Wichita, 11 percent live in the other counties in the Wichita MSA and the remaining 5 percent live in other zip codes.

**Table 2. Frequency of Shopping in Derby**

Market Area	Responses	More than once a week	Weekly	Monthly or less	Total
Primary	Count	<b>527</b>	233	49	809
	<i>Expected Count</i>	492	241	76	809
Secondary	Count	74	<b>51</b>	<b>31</b>	156
	<i>Expected Count</i>	95	46	15	156
Tertiary	Count	18	<b>19</b>	<b>15</b>	52
	<i>Expected Count</i>	32	15	5	52
	Count	619	303	95	1017

## Map 2. Metropolitan Statistical Area



Derby	
Wichita	
Sedgwick County (not Derby or Wichita)	
Harvey, Butler and Sumner Counties (rest of the Wichita MSA)	

Shopping in Derby generally is more frequent for Derby residents, and less frequent for residents who live farther away, with a couple of interesting exceptions as shown in the following table.

**Table 3. Frequency of Shopping in Derby (MSA)**

Market Area	Responses	More than once a week	Weekly	Monthly or less	Total
Derby	Count	<b>284</b>	96	16	396
	<i>Expected Count</i>	238	115	42	396
Sedgwick County (not Wichita or Derby)	Count	135	<b>78</b>	14	227
	<i>Expected Count</i>	137	66	24	227
Wichita	Count	145	<b>88</b>	<b>56</b>	289
	<i>Expected Count</i>	174	84	31	289
Butler, Harvey & Sumner Counties	Count	55	<b>38</b>	<b>24</b>	117
	<i>Expected Count</i>	70	34	13	117
	Count	619	300	110	1029

As the table shows, more Derby residents than would be expected based on the overall response pattern shop more often than once a week in Derby. More residents of Sedgwick County (not Wichita or Derby) shop weekly in Derby than expected and almost as many shop more than once a week as expected. For both Wichita and other county residents, the number shopping weekly in Derby is just above the expected number, while the number shopping in Derby monthly or less often is higher than would be expected.

The implications of these findings are that the Sedgwick County residents appear to find benefit in the Derby retail market for daily or routine shopping. Residents from farther out still find Derby a good place for weekly and especially for less frequent shopping.

### Comparison with 2000 Study

As before, and as expected, Derby itself continues to provide a large percentage of its own market. The towns of Mulvane, Haysville and Rose Hill remain top sources of retail customers, as does the south Wichita area south of Pawnee and East of Broadway (zip code 67216). Douglass, Belle Plaine, Udall, Winfield, Wellington and Peck, along with a number of Wichita zips from the south and west parts of town make up the secondary and tertiary markets, much as they did in 2000.

## Household Income

In addition to number of customers, it is also useful to understand their potential spending capacity. Table 4 shows 2005 estimates and 2010 projections of population, number of households, median income and effective buying income, which is defined as earned income after taxes<sup>1</sup> for the market areas under discussion.

**Table 4. Demographics**

Demographics	Primary	Secondary	Tertiary	Sedgwick County	Butler, Harvey & Sumner Counties	Derby	Wichita
<b>2005 Estimates</b>							
2005 Population	75,958	93,160	143,669	467,192	120,747	19,101	347,996
2005 Households	27,562	37,574	60,242	182,262	45,054	6,752	140,799
2005 Median Household Income	\$54,174	\$41,867	\$41,742	\$47,433	\$47,775	\$64,260	\$43,995
2005 Median All Owner-Occupied Housing Value	\$91,440	\$71,752	\$84,306	\$94,147	\$91,975	\$121,288	\$88,217
2005 Estimated Median Household Effective Buying Income	\$43,952	\$35,003	\$34,807	\$39,504	\$39,910	\$50,051	\$36,700
<b>2010 Projections</b>							
2010 Population	79,720	92,655	142,000	482,092	123,345	20,368	352,691
2010 Households	29,144	37,311	60,085	188,245	46,117	7,298	142,886
2010 Median Household Income	\$60,204	\$45,580	\$44,727	\$52,177	\$53,467	\$68,403	\$47,619
2010 Median All Owner-Occupied Housing Value	\$98,982	\$76,645	\$92,525	\$103,243	\$101,482	\$129,559	\$96,914
2010 Projected Median Household Effective Buying Income	\$47,486	\$37,976	\$37,302	\$42,732	\$43,578	\$53,236	\$39,625

<sup>1</sup> PCensus for MapPoint, Tetrad Computer Applications, Inc.

Derby itself offers higher spending potential, which is reflected in the income and housing value figures for the city itself and the Primary market area (75 percent of customers). While the city of Wichita has lower median income and housing value, it comprises the largest population, at almost 348,000 compared with Derby at just over 19,000.

## **Key Findings**

It is clear that several areas beyond the city of Derby itself provide significant potential for retailers. Specifically, all the small towns surrounding Derby provide customers.

Sedgwick County residents outside of Wichita and Derby provide more weekly shoppers than might be expected.

Wichita itself provides approximately 15 percent of Derby customers, although they are less likely to be frequent shoppers in Derby.