

## Most San Diegans are Regular Wal-Mart Shoppers; Think Wal-Mart is Good for the Community; Disagree with City Council

Analysis by John E. Nienstedt, Sr., President

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In the City of San Diego alone, Wal-Mart enjoys a regular clientele in excess of half a million adults. Fifty-four percent visit a Wal-Mart store at least once per month and nearly one-in-five residents shop there weekly. Only 14% have never shopped at a Wal-Mart. Shopping frequency breaks down startlingly along racial lines.

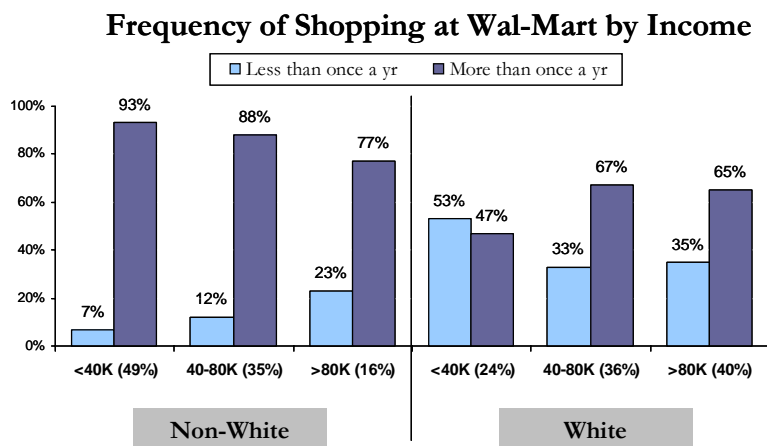
San Diegans generally regard Wal-Mart as an asset to the community, though more than one-third disagree – mainly non-shoppers and Democrats—with that assessment. The decision to ban Wal-Marts and superstores that sell groceries is politically charged. Fifty-seven percent of all residents oppose the prohibition, and opposition among voters is a bit more intense. Though opposition from Democrats is less enthusiastic, even half of them are against the proposed ban.

### Frequency of Shopping at Wal-Mart

It is fascinating to find that it is not mainly a person's income, employment level, political affiliation or even whether they own a home or not which determines how often they shop at Wal-Mart. Using multiple regression analysis, CERC found that *ethnicity* is the most important determinant of whether one shops at Wal-Mart. Thirty-four percent of non-whites (Hispanic, Asian American, African American, Native American and "other") visit the stores every week, another 40% shop there once or twice a month and only 5% have never shopped there. In sharp contrast, a mere 5% of whites shop at Wal-Mart at least once a week, and more than one-in-five have never set foot in a store.

But there are other factors at work. Once we control for race, the analysis shows that education (those with high school educations or less are much more frequent shoppers); whether someone is employed outside the home or not (non-workers are more frequent shoppers); length of residency (longer-term residents shop Wal-Mart more frequently); voter registration (voters are less frequent shoppers) and, finally, income (less affluent residents are more frequent shoppers), are all factors which play important roles in how often residents shop at Wal-Mart.

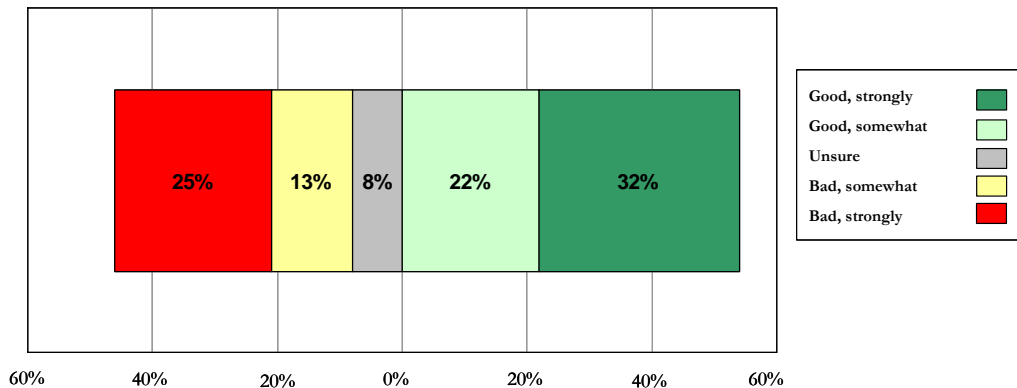
But, ultimately, race is overwhelmingly important. Yes, affluent residents are significantly less likely to visit a Wal-Mart, but the racial factor trumps income by a mile. As the chart shows, low income whites are not only less inclined to shop at Wal-Mart than non-whites, they are *less likely* to frequent Wal-Mart than middle-income and affluent *whites*.



## Do San Diegans see Wal-Mart as a Good Neighbor?

Most residents believe Wal-Mart is a positive factor, on balance, in the community. We asked respondents whether they side with critics who say Wal-Mart is not being socially responsible to employees and communities or with supporters who argue the retail giant helps consumers and its employees. The results are not entirely one-sided, but show no ebbing in support for Wal-Mart since we asked a similar question in August, 2004. That survey showed slightly more than 40% in the City felt Wal-Mart was socially responsible. That figure has now crept up to 55% with 32% strongly feeling that Wal-Mart is a positive.

### Impression of Wal-Mart Stores (Social Responsibility)



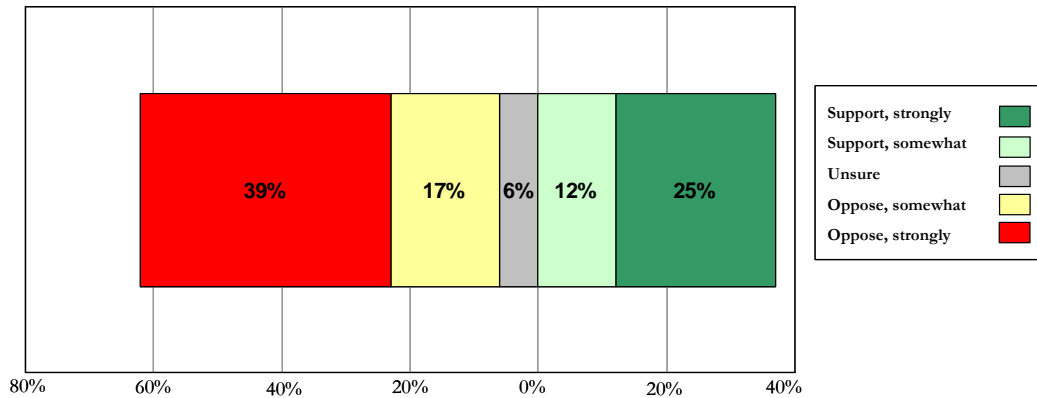
Republicans are far more likely to hold that opinion as 46% of them strongly think Wal-Mart is good for their employees and consumers. In contrast, half of Democrats believe Wal-Mart is bad for their employees and communities and 40% of self-reported “strong Democrats” intensely dislike Wal-Mart.

Familiarity with Wal-Mart is an important factor in determining opinions about the company. Frequent shoppers tend to see nothing wrong with Wal-Mart while those who do not shop there are critical. The finding that 63% of those who have never shopped at a Wal-Mart say the store is bad for employees and hurts the community, could suggest that those folks are staying away on principle. The survey also shows that folks who are more positive about San Diego’s economic future are more likely to see Wal-Mart in a positive light.

### Banning the Sale of Groceries Poorly Received

Relative to public opinion, the five City Council Members (Frye, Lewis, Huseo, Atkins, Peters) who support the ban have come down on the wrong side of this issue. Just 38% agree with their decision to prohibit superstores which would sell groceries. And, when we isolate voters to analyze only those who elect the Council Members, we find that opposition is slightly stronger among them.

## Wal-Mart Ordinance to Prohibit Grocery Sales



To be sure, those who do not shop at Wal-Mart are in the Council's camp. This is another nod to the theory of principled avoidance as it suggests that those who stay away from Wal-Mart are "voting with their feet." But as we have demonstrated, the number of San Diegans who shop at Wal-Mart is huge and few of them support the Council's action. Even Democrats, who tend to be more sympathetic to arguments in favor of a ban show, at best, mixed attitudes towards the ban: while 45% support it, 50% oppose it.

And another racial component appears here: African-American residents are not happy with the ban. Slightly more than half *strongly* oppose the prohibition and only 8% strongly support it.

### About the SDIPR/Competitive Edge Opinion Barometer

This survey was conducted by Competitive Edge Research & Communication (CERC) in conjunction with the San Diego Institute for Policy Research (SDIPR). SDIPR jointly determined the issues to be covered in this survey. SDIPR provided CERC with background information on the issues contained in the questionnaire and both entities discussed the topics in order to produce an effective questionnaire. Final responsibility for all questions, the data collection and the analysis presented herein rests with CERC.

These findings are based on a random sample of 503 City of San Diego residents. The interviewing was conducted January 3<sup>rd</sup> through the 6<sup>th</sup> in English and Spanish from CERC's San Diego facility. Professional interviewers were trained for this specific project. The duration of the average interview was 16 minutes. The random digit dial sample was provided by Scientific Telephone Samples of Foothill Ranch, CA. After collecting the data, results were weighted on the voter registration, gender and age variables to CERC's estimates of the overall San Diego City population gathered from the US Census and the San Diego County Registrar of Voters.

### Sampling Error

According to statistical theory, the confidence level associated with a sample of this type is such that, with a question where the respondents answer 50% "yes" and 50% "no," 95% of the time the results are within plus or minus  $\pm 4.4\%$  of the *true value*, where true value refers to the results obtained if it were possible to interview every possible qualified respondent. The degree of error is reduced when responses have larger (e.g. 60%-40%, 70%-30%) percentage differences. Conversely, the margin of error increases when a subset of the entire 503 responses is analyzed.

In addition to error introduced by sampling variability, there are many other possible sources of bias such as how a question is worded, the question sequence, or individual interviewer techniques. Competitive Edge does everything in its power to minimize these potential sources of bias.

A survey of this type is a good measure of current attitudes that may change over time. This survey should not necessarily serve as an unqualified predictor of events, but, as an indicator to the situation in early January, 2007.

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