

Understanding Resilience in a Vulnerable Industry: A Case of Retailing in a Mountain Resort Community

by

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Ethics Statement



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Abstract

The retail landscape is continually subject to changing market trends and conditions. Increasingly researchers use resilience concepts to understand how retail systems adapt and respond to change, which can help communities and retailers better anticipate and prepare for the inevitable altering conditions. This project analyzes local stakeholder perceptions to understand aspects of resilience and vulnerability in the context of Whistler BC's destination retail system. Through qualitative interviews and an online survey of local retailers, this research identified factors perceived as influential to local retail sector performance. The study highlights Whistler's retail system elements that link to its resilience and vulnerability, including components of its retail sector composition; customer qualities; local social, physical, and economic conditions; and its governance processes. This investigation offers an original Destination Retail Resilience Framework that integrates resilience and vulnerability concepts drawn from relevant literature, for application within a resort retail system.

Keywords: resilience; vulnerability; retail system; resort retail; resort municipality; Whistler

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List of Acronyms and Abbreviations

BC	British Columbia
DSF	Destination Sustainability Framework
DRS	Destination Retail System
DRRF	Destination Retail Resilience Framework
EPI	Economic Partnership Initiative
EPIC	Economic Partnership Initiative Committee
FEA	Festivals, Events and Animations
WBH	Whistler Blackcomb Holdings Inc.
OCP	Official Community Plan
RMI	Resort Municipality Initiative
RMOW	Resort Municipality of Whistler
SES	Social-Ecological System
TCI	Thomas Consultants Inc.
TFW	Temporary Foreign Worker
TW	Tourism Whistler
USA	United States of America
WARM	Whistler Association of Retailers and Merchants
WB	Whistler Blackcomb
WCC	Whistler Chamber of Commerce

Glossary

Adaptive Capacity	The system's ability to adjust to a disturbance, take advantage of opportunities, moderate potential damage, and cope with the consequences of any transformation or reorganization that occurs (Gallopín, 2006)
Adaptive Cycle	A cyclical process during which the system reorganizes in response to change
Complex Adaptive Systems	Systems that are self-organizing and possess adaptive capacity, which facilitates them to reorganize their internal structures naturally with an interlinked network of components with synergistic properties
Destination visitor	Individuals visiting Whistler for less than 30 consecutive days that originate from locations outside Washington State and British Columbia
Disturbance	An event or change that affects the system and reveals system vulnerability and resilience. Disturbances can be sudden shocks or gradual stressors, originating from inside or outside the system.
Economic Partnership Initiative (EPI)	A collaborative committee of local economic stakeholders in Whistler created in 2012 with the mandate to provide a new strategy for diversifying Whistler's economy. In October 2013, the EPI committee released a <i>Summary Report of Key Findings</i> , which includes 13 economic strategies in five focus areas with over 50 individual recommended actions over the immediate, short and long-term (Economic Partnership Initiative Committee, 2013).
Exposure	The degree to which a system comes into contact with stressors or shock, which is the product of the type of shock and stressor as well as the character of the system under stress
Regional visitor	Individuals visiting Whistler for less than 30 consecutive days that originate from Washington State or British Columbia
Resilience	A measure of the persistence of systems and of their ability to absorb change and disturbance and still maintain the same essential functions
Resort Municipality	A Province of British Columbia designation that gives the designated municipality additional powers of taxation, financing, and marketing to support the infrastructure needs of a tourist resort

Resort Municipality Initiative (RMI)	An initiative of the Province of British Columbia to provide revenue to resort municipalities to support tourism-based services and infrastructure to attract more visitors and encourage longer visits. Total program funding is limited to \$10.5 million per year, which is distributed among 14 eligible municipalities depending on the number of accommodation units, and the accrued payments of municipal and regional district tax (hotel room tax).
Retail Resilience	the ability of different types of retailing at different scales to adapt to changes, crises or shocks that challenge the system's equilibrium, without failing to perform its functions in a sustainable way
Sensitivity	the degree to which a system is affected by exposure to disturbances, which is determined by pre-existing system conditions, including those related to human, social, economic, physical and governance structures
Shock	Rapid onset events that impact a system and trigger resilience and vulnerability. Examples are terrorist attacks, natural hazards and health epidemics,
Social-ecological System (SES)	complex adaptive systems that are linked with social and ecological components
Stressor	Slow-onset events that affect a system and trigger resilience and vulnerability, which are often human-environment interactions that slowly build up pressure on a system. Examples are climatic changes, environmental degradation, biophysical elements, economic downturns and changes in consumer behaviour and travel trends
Temporary Foreign Worker Program	Canadian federal program which allows Canadian employers to hire foreign workers for skilled and labour positions with current shortages for which Canadian citizens and permanent residents are not available (Government of Canada, 2016)
Vulnerability	a system's susceptibility, exposure, sensitivity to change, or the degree to which the system is affected by change
Whistler 2020	The highest level policy document adopted by the Resort Municipality of Whistler in 2005. The document was developed through extensive community engagement and articulates Whistler's shared values, sustainability principles as well as a vision, priorities, and directions.

Chapter 1. Introduction

1.1. Introduction

In contemporary society, the retail landscape is continually adapting to changing conditions. Over the past couple of decades, the retail sector has experienced increasingly globalized markets, rapid advances in technology, shifting economic conditions, as well as, frequent changes in consumer preferences and behaviour (Dolega & Celinska-Janowicz, 2015; Kärrholm, Nylund, Prieto, & Fuente, 2014). The constantly shifting environment has driven individual retailers to adjust their methods to remain competitive and prevent stagnation and decline (Fernandes & Chamusca, 2014). Successful retailers are adapting in innovative ways; many of which incorporate different types of goods and services, focus on creating customer experiences (Mehmetoglu & Engen, 2011; Pine & Gilmore, 2000), introduce sustainable practices (Jones, et al., 2005), alter the shopping environment (Cachinho, 2014), or create entirely new business models (Cachinho, 2014; Kärrholm et al., 2014; Ozuduru, Varol, & Ercoskun, 2014).

Retailing within resort destinations has additional sensitivities to change, which requires retailers to understand and adapt to these changes to remain competitive. Resort retailers are sensitive to tourism trends, variable exchange rates, the costs of transportation, airport security protocols, and conditions in the visitor's home country, including political volatility, domestic taxes and customs (Calgaro et al., 2014). In destinations that rely on the quality of the natural environment for competitive advantage, the retail system is sensitive to shifts in local ecological conditions (Strickland-Munro et al., 2010). To anticipate and prepare for these potential changes, understanding the factors that influence a retailer's ability to respond to change is pertinent (Bec, McLennan, & Moyle, 2016). Without adequate understanding, continuous shocks and stressors challenge the viability of many retail establishments. Individual business failure is natural in a healthy retail sector; however, widespread inability to adapt may eventually destabilize

the retail sector and affect the systems that rely on it (Cachinho, 2014). In resort environments, the retail sector shapes the overall destination vibrancy and image (Kemperman et al., 2009; Kim & Littrell, 2001), and its resilience is integral to the success and performance of the overall destination.

Researchers increasingly use resilience and the related concepts of vulnerability and adaptive capacity to understand the dynamics of complex adaptive systems, including tourism (Biggs, Hall, & Stoeckl, 2012; Biggs, 2011) and retail systems (Cachinho, 2014). Resilience is a theoretical approach that originated in ecological studies and is now used in multiple disciplines to guide thinking related to how social-ecological systems respond to change and adversity (Adger, 2000; Bec et al., 2016; Folke et al., 2010). Academics often use resilience concepts with the objective of achieving a holistic perspective that incorporates both social and ecological domains (Larsen, Calgaro & Thomalla, 2010). Within the field of tourism, researchers use resilience concepts to investigate how resorts may respond and cope with sudden shocks and gradual changes. Studies examine systems in the face of natural disasters, economic crashes, climate change, as well as, shifts in consumer preferences, and the gradual deterioration of the physical environment (e.g. Biggs et al., 2012; Calgaro et al., 2014; Strickland-Munro et al., 2010). Examining the factors that influence resilience leads to a thorough understanding of a system's strengths, weaknesses and opportunities for improvement (Calgaro et al., 2014; Clark et al., 2000; Pelling, 2003; Turner et al., 2003). Systems that are resilient can take advantage of opportunities for innovation and development (Folke, 2006), while in vulnerable systems, even small disturbances can cause severe consequences (Adger, 2006).

Resilience can be a useful approach for understanding retail systems (Dolega & Celinska-Janowicz, 2015). Change is an inherent condition of the retail system, and a resilience approach provides a method for identifying weaknesses and strengths in the system. Understanding the resilience of a retail system facilitates the design of successful policy and planning interventions (Cachinho, 2014; Singleton, Dolega, Riddlesden, & Longley, 2016; Wrigley & Dolega, 2011). Although there is an increase in the number of resilience studies focused on retail systems, several gaps remain in understanding the dynamics of system components and resilient retail systems (Dolega & Celinska-Janowicz, 2015).

1.2. Research Purpose

The overall objective of this study is to gain insight into the factors that influence the resilience and vulnerability of the retail sector in a resort environment. This study specifically focuses on understanding retailing resilience in a popular North American four-season mountain resort. The research involved a multi-method approach to interpreting local stakeholder perceptions, predominantly those of business owners and operators. The method included the analysis of empirical data from key informant interviews and an online survey, as well as, official community documents and media resources in Whistler, Canada. The investigation frame proposed an original Destination Retail Resilience Framework (DRRF), which integrated resilience and vulnerability concepts drawn from relevant literature for application within a resort retail system.

Whistler served as an ideal study site as it is an internationally renowned resort with a vibrant village and a thriving retail sector that has experienced significant changes in recent years. Most notably, the resort underwent a series of disturbances resulting from the 2008-2009 economic recession; the successful bid to co-host the 2010 Winter Olympic and Paralympic Games and changes to the local labour conditions. The recent disturbances may have provided retailers with the opportunity to innovate and adapt to new conditions, or may have severe consequences for local businesses. To remain competitive as a destination, the resort's retail system needs to adjust successfully to disturbances.

This study interprets local stakeholder perspectives, through a resilience and vulnerability lens, to understand how local conditions, processes, and structures influence resilience, vulnerability, and adaptability in Whistler's destination retail system (DRS). The following overarching research question was examined in the context of Whistler's destination retail system.

- What factors influence retail system resilience and vulnerability in a resort environment and what type of linkages exists between characteristics of system vulnerability and resilience?

In the context of Whistler's retail system, specific research questions were as follows:

- What factors do local business owners and operators perceive as influential to the retail system's functioning?
- How do these factors influence the retail systems' vulnerability and resilience to shocks and stressors?
- Which local conditions, including economic, physical and environmental, human and social, governance processes, and tourism and retail-specific conditions, influence retail system sensitivity to disturbances?
- Which retail sector characteristics influence system exposure to disturbances?
- Which system characteristics influence its adaptive capacity?
- How do retail system responses to previous disturbances feedback into current system vulnerability and resilience?

The study was qualitative and explorative in nature, and although the results are not representative, they provide a basis to suggest future areas of research. The results also provide insight into the current state of the retail sector in Whistler and identify potential opportunities for policy and planning interventions.

1.3. Report Organization

This document has seven chapters. Chapter One introduces the topic area, study goals and objectives; Chapter Two reviews the relevant literature to provide a frame and context for the study, which includes research related to resilience thinking within social-ecological systems (SES), seminal studies and recent developments related to resilience and vulnerability within retail and tourism systems. Chapter Three describes the methods used to complete this study, in addition to relevant background and contextual information on the case study site and an explanation of the conceptual model, the DRRF, used to guide the investigation and analysis of data. Chapter Four describes the study findings. Chapters Five and Six discuss the results of the study, divided into sections based on the retail system elements that influence vulnerability and resilience, which correspond to the components that comprise the DRRF. Chapter Five examines the retail system and elements contributing to its vulnerability; while Chapter Six focuses on retail system resilience, adaptive capacity and coping responses. The report concludes in Chapter Seven with final remarks, study limitations and suggested areas for future research.

Chapter 2. Literature Review

This chapter reviews existing research related to understanding the resilience and vulnerability of systems, with a focus on seminal studies that contribute to understanding the resilience of retailing in a mountain resort environment. This section includes literature spanning multiple disciplines, provides definitions, key concepts, theories and frameworks that set the context and foundation for this study and its conceptual framework. The chapter begins with an overview of the evolution of the resilience perspective, including its origins in ecology and its subsequent application to understanding social-ecological systems (SES), including communities and specific sectors that are dependent on ecological systems. The review then highlights key advances in understanding SES resilience from the fields of hospitality, tourism, retail planning and management; as well as urban planning, environmental planning, disaster management, economic geography and global environmental change.

The review then focuses on resilience in the context of tourism and retail systems, examining critical theoretical frameworks and research findings on the unique conditions of retailing in the tourism environment. The chapter culminates with the description of a conceptual framework, the Destination Retail Resilience Framework (DRRF), which includes factors, drivers, and system components that influence system resilience. The frame is original and guides the collection and analysis of the study data described in the studying findings in chapters four and five.

2.1. Origins and Evolution of Resilience Thinking

Resilience is a multidimensional approach that examines how complex systems respond to change (Bec et al., 2016). Resilience theory originated in the field of ecology in the 1970s and later spread to a wide range of fields including the social sciences. Notable studies use the resilience approach to examine systems in the areas of psychology (Lamson, 1986; Bonanno, 2004 cited in Folke, 2006), engineering (Bergen, Bolton, & Fridley, 2001), anthropology (Vayda & McCay, Bonnie, 1975), economics (Perrings, Folke, & Maler, 1992), and human geography (Zimmerer, 1994).

Holling (1973) first applied resilience theory to understand an ecosystem's capacity to persist after experiencing different types of environmental disturbances while maintaining its function and identity (Adger, 2000; Bec et al., 2016; Folke et al., 2010). Holling (1973: 14) defined resilience as "a measure of the persistence of systems and of their ability to absorb change and disturbance and still maintain the same relationships between populations or state variables." This definition of resilience challenged the dominant perspective in ecology at the time, which assumed that systems are predictable, change is linear, and systems would naturally return to their pre-disturbed state with human stressors removed (Folke, 2006). In contrast, Holling's (1973) understanding of resilience emphasized the idea of non-linear change and recognized the influence of random events, temporal and spatial scales, and how gradual and rapid change interplay (Folke, 2006).

In the resilience paradigm, resilient systems will not necessarily return to their pre-disturbance state; they may maintain their essential structure while fluctuating and moving to multiple stable states. The theory focuses on understanding the amount of disturbance a system can absorb, as well as the ability to take advantage of opportunities that arise from disturbances to renew the system and adopt new trajectories (Dolega & Celinska-Janowicz, 2015; Folke, 2006). In this perspective, resilience is an approach that can help understand how to manage change (Adger, 2000; Bec et al., 2016; Folke et al., 2010); either by preventing the system from crossing a threshold or nurturing the elements that enable the system to adapt, renew and reorganize itself (Walker et al. 2002).

Resilience concepts have evolved significantly since Holling (1973) first used resilience to examine ecological systems (Walker, Holling, Carpenter, & Kinzig, 2004). Gunderson and Holling (2002) later described resilience theory using an adaptive cycle, which depicts the cyclical process during which the system moves through periods of growth, conservation, collapse and reorganization in response to change. During the stages of growth, existing capacity supports the creation of new structures and relationships, while conservation is a period for accumulating new capital and increasing interconnectedness between system components. The stage of collapse occurs after the system experiences a destabilizing disturbance, which is followed up by a period of reorganization (Allison & Hobbs, 2004; Folke et al., 2002).

Although resilience is about understanding a system's ability to deal with change or adversity, there is significant variation in the interpretation and application of resilience concepts depending on the particular system examined, its process for change and the perceived optimal state (Bec et al., 2016; Gallopin, 2006). Interpretations of resilience include:

- the ability of a system to absorb disturbances while undergoing change (Walker et al., 2002)
- the amount of disturbance a system can absorb before changing its structure and identity (Holling, 1973)
- the speed at which a system recovers from a disturbance (Adger, 2000);
- the ability of an economy to recover or adjust to the impacts of adverse shocks (Simmie & Martin, 2010);
- the ability of an engineering system to return to a steady state or equilibrium; and
- the ability of an individual to cope with personal stress and adversity (Bec et al., 2016).

2.2. Resilience Applications to Social–Ecological Systems

Although Holling's (1973) seminal work originally examined ecological systems, the concepts have since been adapted and applied to study social and SES. SES are complex adaptive systems which have integrated social and ecological systems (Olsson, Folke, & Hahn, 2004). SES resilience applications include individual communities, organizations, industries, and individual persons (Cote & Nightingale, 2012; Folke, 2006) that may be subject to disturbances both external, such as natural disasters or political instability, as well as internal, for example, stakeholder conflict or local unemployment rates (Adger, 2006). Although there are conceptual difficulties in applying ecological resilience concepts to SES, many researchers support its application for describing SES dynamics. Adger (2000) considered the linkages between social and ecological systems and describes resilience as both a useful analogy for how societies work, as well as an approach that links institutions and economies to the natural resources on which they depend. In addressing the conceptual gaps between ecological and SES, there have been many advances in integrating the social dimension of resilience. Folke (2006) highlights several findings including developments in understanding social learning and memory,

visioning and scenario building, leadership, actor groups, networks, social capital institutional and organizational inertia, adaptive capacity, transformability, and adaptive governance systems. These advances in understanding make resilience a useful multidisciplinary approach for guiding and organizing thought within SES (Folke, 2006) and provide the foundation for new conceptual theories (Walker et al., 2004).

2.2.1. Resilience, vulnerability and adaptive capacity

Resilience is highly related to vulnerability and adaptive capacity. Resilience is a system's ability to withstand and adapt to change while maintaining its essential functions (Bec et al., 2016). An integral component of resilient systems is adaptive capacity (Baral, 2013; Gallopin, 2006). Folke (2006) defines adaptive capacity as the ability to adapt through reorganizing structures and processes, renewing the system or adopting new trajectories. Gallopin (2006) also recognizes adaptive capacity's role in taking advantage of opportunities that arise from disturbances and the ability to moderate any damage that may result from system reorganization. Systems that lack adaptive capacity are likely more vulnerable.

Adger (2006: 265) defines vulnerability as "the state of susceptibility to harm from exposure to stresses associated with environmental and social change and from the absence of capacity to adapt." Vulnerability is place-specific and a function of the system's exposure and sensitivity to disturbances (Calgaro et al., 2014; Turner et al., 2003). Clark et al. (2000: 2) define exposure "as the degree to which an exposure unit (who or what) comes into contact with stressors or shocks", while sensitivity is the extent to which a unit is affected by exposure to stresses (Calgaro et al., 2014). Vulnerability is particular to the type of disturbance and can vary depending on the specific stress or stressor experienced. Building adaptive capacity can reduce system sensitivity and exposure to disturbances and thus reduce system vulnerability (Bec et al., 2016; Nelson, Adger, & Brown, 2007).

Throughout the SES literature, critical social and institutional processes are instrumental in determining adaptive capacity. Walker et al., (2002) states that adaptive capacity related to system learning, flexibility, experimentation and adopting novel solutions. Olsson et al. 2004, also link adaptive capacity to the ability to learn and

experiment. Armitage (2005) describes adaptive capacity as dependent on social and institutional relationships within the system, such as fostering innovative solutions and mediating competing interests in complex social and ecological circumstances. Armitage (2005) stresses the importance of acting collectively to create adaptive capacity in the context of resource management. Adger (2000) and Folke (2006) also discuss the role of social networks, associations, and collaboration in adaptive capacity.

Resilience, vulnerability, and adaptive capacity are separate but often linked concepts (Bec et al., 2016; Cutter et al., 2008) with diverse interpretations and conceptual linkages (Folke, 2006; Bec, 2015; Gallopin, 2006). Vulnerability has been defined as the opposite of resilience (Gallopin, 2006) or as a loose antonym for resilience (Adger, 2000); however, the relationship is complex. Gallopin (2006) acknowledges that reducing vulnerability will make a system more resilient; however, systems can be both vulnerable and resilient simultaneously, stating that a vulnerable system can be resilient if it can manage the impacts and outcomes of any disturbances (Gallopin, 2006). Espiner and Becken (2015) support this position and state that vulnerability and resilience are not mutually exclusive.

Although interpretations of these concepts vary across fields, the resilience approach within SES is fundamentally about understanding the characteristics of system stability, resilience, and change between stable states; adaptive capacity and learning; and cross-scale interactions, including temporal or spatial scales (Allison & Hobbs, 2004). Understanding these characteristics is essential for designing interventions to support persistence in the face of change, the creation of new trajectories and seizing opportunities for reorganization (Folke, 2006).

Learning is a fundamental component of SES resilience and adaptive capacity. Carpenter et al.'s (2001) definition of social-ecological resilience includes learning as one of the three components of resilience, specifically the degree to which a system can build and increase the capacity for learning and adaptation (Folke, 2006). Similarly, in Cochrane's (2010) 'sphere of tourism' learning was one of the principal elements of a resilient tourism system. Within resilient SES, Walker et al. (2002) and Olsson et al. (2004) link adaptive capacity to system learning, and experimentation and Armitage (2005)

includes learning in two of four components of adaptive capacity: 1) learning to live with uncertainty and change and 2) combining different types of knowledge for learning. Learning depends on the social actors within a system, specifically their willingness to learn from mistakes and foster learning during times of uncertainty (Armitage, 2005). The combination of knowledge, experience and institutional structures is what determines options and ultimate actions (Nelson et al., 2007).

2.2.2. Community resilience

As an approach to understanding dynamics within SES, researchers have commonly used resilience thinking to examine communities (Adger, 2000). Community resilience studies mainly focus on nurturing the components that make a community resilient with broader community objectives (Becken, 2013; Skerratt, 2013). Specific applications include examining food security, natural resource management issues (Allison & Hobbs, 2004), environmental degradation (Folke, 2006), vulnerability to natural hazards and community regime shifts (Janssen et al., 2003) and tipping points (Folke, 2006). Adger (2000: 347) defines community resilience as "the ability of groups or communities to cope with external stresses and disturbances as a result of social, political and environmental change". Other definitions highlight the element of uncertainty and surprise, the necessity of resources (Berkes & Ross, 2013), and community resilience as a continuous process (Milman & Short, 2008).

Several conceptual frameworks attempt to examine SES dynamics to provide insight into how to create resilient and adaptable communities (Turner et al., 2003). Theoretical frameworks that consider SES vulnerability help understand who and what are vulnerable to shocks and disturbances (Turner et al., 2003). Examples include Berkes and Ross (2013), who discuss developing an integrated approach to community resilience linking two strands of literature within the community resilience discourse; SES resilience and the psychology of development; and Turner et al. (2003) who present a framework for assessing the vulnerability of human-environment systems based on concepts from vulnerability assessment literature. The framework conceptualizes vulnerability as a function of the systems' exposure to hazards, as well as, its sensitivity and resilience to disturbances. Turner et al. (2003: 8074) define vulnerability as "the degree to which a

system, subsystem, or system component is likely to experience harm due to exposure to a hazard, either a perturbation or stress/stressors.

Turner et al. (2003) proposed a vulnerability framework comprised of 1) the system, 2) linkages to broader human and biophysical conditions and processes operating beyond the system, and 3) the disturbances and hazards that influence the system and originate within and outside the system. In Turner et al.'s (2003) framework, the system nests within the place, region, and globe and links to elements cross-scale, in-place and beyond place. Turner et al., (2003) link system sensitivity to disturbances to the resources available to anticipate shocks and respond accordingly. Relevant conditions include existing sources of capital; however, local power dynamics, social networks, and the effectiveness of governance systems are particularly significant, as they influence distribution, access and use of resources that are necessary for the system to access coping mechanisms to respond to a disturbance

Polsky, Neff, & Yarnal's (2007) vulnerability scoping diagram is another influential framework, which facilitates the comparison of vulnerability assessments. The framework uses Schroter et al.'s (2005) eight-step protocol to vulnerability assessments to incorporate an iterative, flexible and comprehensive design. Schroter et al. (2005) include steps 1) defining the study area 2) getting to know the place over time, 3) hypothesizing vulnerabilities 4) developing a causal model of vulnerability 5) identify indicators to measure elements of vulnerability 6) operationalizing the model(s), 7) predicting future vulnerabilities, and 8) communicating vulnerabilities. The assessment may include revisiting previous steps based on the findings from steps late in the process. Polsky, Neff and Yarnal (2007) adapted Schroter et al.'s (2005) method to allow for comparison of vulnerability assessments results, which can help share lessons learned and make generalizations (Polsky et al. 2007).

2.3. Tourism System Resilience

Tourism is another field in which researchers embraced resilience as an approach to understanding SES that involve both social and natural resources and their interactions (Becken, 2013). Emerging thinking conceptualizes tourism as a complex adaptive system

and the application of resilience theory naturally shifts the focus from understanding communities to understanding communities where tourism is an integral component. Farrell & Twining-Ward (2004; 2005) discussed the conceptual application of resilience concepts in the tourism field. They supported its focus on process and recognition that disturbances in one system can influence other linked systems (Farrell & Twining-Ward, 2004). Calgaro et al. (2014) stated that the resilience approach helps frame risk and change in a way that recognizes both predictable and unpredictable qualities.

Studies use resilience concepts to examine systems in the context of a variety of disturbances, often focusing on a select few factors, institutions, or processes (Calgaro & Lloyd, 2008). The majority of resilience studies within the tourism field focused on resilience in the context of short-term shocks like natural disasters, economic and political crisis. A separate area of study examines tourism systems subject to the impacts of climate change, which overlaps with much vulnerability research. In the last five years, the application of resilience concepts to tourism systems has expanded to include a vast array of factors. For example, Ruiz-Ballesteros, (2011) and Strickland-Munro et al. (2010; 2014) examine the effects of tourism on the resilience of nearby communities.

In the context of natural disasters, Larsen, Calgaro, and Thomalla (2011) presented a framework for examining stakeholder agency during a tourist destination post-disaster recovery. The study highlighted the importance of governance and the political economy in determining resilience within specific stakeholder groups. Similarly, Biggs, Hall, and Stoecki (2012) examined the resilience of individual tourism enterprises after a tsunami and political crisis. They found that resilience links to local social, human and financial conditions, as well as characteristics of the enterprise. Characteristics particularly relevant to resilience are age, level of experience, and whether business owners are driven by lifestyle considerations beyond profit, which generally results in them having a higher commitment to their business and lower expectations for profitability.

Becken (2013) also examined tourism systems with a focus on individual operators; however, she focused on the impacts of weather and climatic disturbances. Becken (2013) presented a tourist destination resilience framework that builds on Walker et al.'s (2004) stability landscape to describe factors that shape resilience. She found that

business sensitivity to disturbances differed depending on their reliance on specific types of resources (i.e. snow, air, land, indoor, rivers). Similarly, Csete, Palvolguy, & Szendro, (2013) examined the impacts of climate change on destination resilience; however, they used quantitative indicators for measuring exposure, sensitivity, and adaptive capacity. In another study focused on the impacts of climate change, Luthe, Wyss and Schuckert (2012) examined the network governance of a mountain tourism region. They found that economic diversification increased resilience to climate change and that the network structure influences the extent of flexibility, innovation, and stability. Additionally, the capacity to diversify depends on cohesion, collaboration, distribution of power, and the level of integration of supply chains. Later work by Wyss, Luthe and Abegg (2015) presents an analytical framework for examining how the cooperation of local actors influences alpine tourism system resilience in the face of climate change. Wyss et al. (2015) assess the level of cooperation between local actors in an Alpine resort using social network analysis. A limited number of actors are responsible for a substantial number of linkages. The study found that cooperation in tourism systems is important because tourists often do not distinguish between individual businesses' provision of goods and services, and instead perceive the portfolio of goods and services offered within one destination as a single product offer (Bieger, 2005 cited in Wyss et al., 2015).

There are significant gaps in our understanding of the factors that influence resilience and vulnerability of tourism systems as the majority of studies focus on examining specific components of tourism systems, and there are few rigorous frameworks that can guide the holistic assessment of destination resilience (Calgaro et al., 2014; Calgaro & Lloyd, 2008).

Specific to the tourism context, Calgaro & Lloyd (2008) adapted Turner et al.'s (2003) sustainability framework to examine a tourism-based community after the 2004 Indian Ocean tsunami. This framework recognizes the dynamic nature of tourism systems and incorporates spatial and temporal scales; the interconnected nature of vulnerability, exposure, sensitivity, and resilience; as well as additional sociopolitical and environmental processes associated with power dynamics, access to resources, governance, and key stakeholders' agendas. Calgaro and Lloyd (2008) conceptualize vulnerability as a function of exposure, sensitivity, and resilience. Tsao and Ni (2015) presented a framework that

integrated resilience and vulnerability concepts with Gunderson and Holling's (2002) adaptive cycle. They applied the framework to understand how communities responded to disasters and argued that in a tourism environment, the adaptive cycle becomes more rapid. Cochrane (2010) describes the principal elements of a resilient tourism system as 'the sphere of tourism'. The model highlights leadership, stakeholder cohesion, harnessing market forces, learning, flexibility and adaptability as essential components of resilient tourism systems. The framework is useful as a high-level description of the dynamics between resilience concepts (Bec et al., 2016). Lew (2014) presented the Scale, Change and Resilience model to describe resilience issues in the context of different types of disturbances and scale of interest (individual business owner vs. community-wide). Four categories of tourism contexts correspond with the appropriate type or speed of response. Lew (2014) highlights that shocks may not be immediately evident, and may only reveal themselves over a longer period; examples include political or economic crises.

2.3.1. Destination Sustainability Framework (DSF)

Calgaro et al. (2014) developed the Destination Sustainability Framework (DSF), which incorporates traditional resilience concepts to guide the identification and analysis of factors that influence destination vulnerability and resilience. Through its application, the framework highlights key areas or opportunities for intervention to support initiatives to build long-term resilience. The DSF builds on previous frameworks in the sustainability and human-environment discourse, including Gunderson and Holling's (2002) adaptive cycle, Polsky et al.'s (2007) Vulnerability Scoping Diagram, and Turner et al.'s (2003) vulnerability framework. The DSF also builds from tourism-specific frameworks; including most notably the previous Calgaro and Lloyd's (2008) framework. The DSF includes the influence of shocks or stressors, the interconnected dimensions of vulnerability and resilience, feedback loops, important contextual aspects, and multiple spatial scales and timeframes. The framework contains a systematic approach to assessing the destinations defining features, including its key stakeholders and the characteristics of the biophysical and built environment.

Shocks and stressors are events that threaten a destination and require it to respond (Calgaro et al., 2014). Shocks are rapid onset events, while stressors are slow-

onset events that originate from human-environment interactions. Examples of shocks are terrorist attacks, natural hazards, and health epidemics, while examples of stressors are climatic changes, environmental degradation, biophysical elements, economic downturns and changes in consumer behaviour and travel trends (Calgaro et al., 2014). Shocks and stressors can happen simultaneously, and the resources required to respond depends on the severity and nature of the disturbance. The DSF assess the shocks and stressors regarding their type, magnitude, frequency, and duration.

To assess exposure, Calgaro et al. (2014) considered factors categorised as 1) population characteristics, including size and characteristics of the population and its distribution 2) biophysical environment, including natural terrain, climate, and ecosystem characteristics and 3) built environment, including location and development patterns (Table 2.1). Sensitivity depends on pre-existing social, economic, political, and environmental conditions, particularly those relevant to the system's access, distribution and use of resources (Calgaro et al., 2014). The DSF facilitates the examination of system sensitivity through an analysis of tourism-specific sensitivities, economic, human, social, physical and environmental capital and governance processes.

System adaptiveness includes impact/coping responses, which lead to adjustments or lack of adaptation. The system adaptiveness outcomes feed back into the exposure and sensitivity of the system. Although the framework's essential components are not new, Calgaro et al. (2014) considered tourism-specific sensitivities and included key governance processes.

Table 2.1. Examples of elements of tourism system conditions that influence system sensitivity to disturbances

System condition	Element that influences system sensitivity to disturbances
Tourism-specific sensitivities	<ul style="list-style-type: none"> • Tourism seasonality • Markets and marketing strategies • Destination history and positioning • Destination image sensitivity
Human and social capital	<ul style="list-style-type: none"> • Knowledge of risk (traditional/historical response to part shocks and stressors that aid preparedness) • Skills that enable greater employment flexibility • Labour capacity • Networks and Connectedness • Group membership • Relationships and levels of trust and reciprocity
Economic capital	<ul style="list-style-type: none"> • Livelihood portfolios • Accumulation of liquid and fixed assets • Credit histories and insurance • Employment opportunities • Business stability and access to welfare safety nets
Physical capital	<ul style="list-style-type: none"> • Access to resources • Biophysical carrying capacity • Access to infrastructure and communication systems • Transport links between tourist markets and destinations
Governance processes	<ul style="list-style-type: none"> • Formal and informal governance structures • Laws policies and rights • Tourism business networks

Source: Adapted from Calgaro et al., 2014

2.4. Resort Retail Systems

The retail sector has long been an integral part of tourism. Tourists commonly purchase souvenirs to remember past trips, and retailers provide tourists with goods and services they require during their travels. Retailing is also responsible for a significant portion of tourism revenues; it enhances the visitor experience and satisfaction and influences the overall performance of the destination.

Retailing in the tourism environment has been studied widely, and there is a growing number of studies on the subject (Timothy, 2005). There is a significant amount of research on customer behaviour and experience in the context of retail shopping

(Adhikari & Bhattacharya, 2015). Studies on retailing in the travel and hospitality industry include developments in understanding shopping motives, frequency, and customer satisfaction (Dholakia, 1999). Although many researchers examined retailing in the tourism context, the body of literature about retailing in the industry is highly fragmented. Few studies focus on the entire resort retail system and instead concentrate on specific components of, or relationships within the retail sector. Additionally, many studies present empirical findings, and few analytical or conceptual frameworks make generalizations for application to other destinations or retail systems.

The following section discusses several strands of literature related to retailing in a resort environment. The body of knowledge related to tourist shopping behaviour is well developed and includes insight into customer motivations, purchase intentions, satisfactory, and loyalty. A more limited strand of literature examines how resort environments influence retailing practices. Very recently, researchers embraced resilience concepts for understanding how retail systems respond to change and disturbances; however, the body of knowledge remains limited, with no studies specific to the resilience of retail systems in the context of resorts.

2.4.1. Customer behaviour in a resort environment

Although consumer behaviour has received significant academic attention, with studies dating back to the 1920s (Mak, Tsang, & Cheung, 1999), research in the tourism sector is still in its early developmental stage (Swarbrooke & Horner, 2007). Tourists behave differently than local shoppers (Oh, Cheng, Lehto, & O'Leary, 2004) and the stream of tourist-based consumer behaviour literature predominantly focuses on understanding purchasing behaviour, with most studies focusing on the impact of a few elements on consumer behaviour. The literature examines how components of shopping affect tourist behaviour in other aspects of the resort environment, such as the destination image, length of stay, loyalty, likelihood of revisiting the area, satisfaction, dollars spent, and overall tourist experience.

Early work includes that of Anderson (1965) who developed one of the first consumer behaviour models, which identified critical factors that influence consumer

decisions, including price, information sources, income and budget priorities. Howard and Sheth (1969) developed another early consumer model based on empirical evidence, which identifies factors influencing consumer behaviour as inputs, perceptual constructs, exogenous variables, learning constructs and outputs. Keown (1989) later created a model for international tourists' propensity to buy goods, which included types of products available, levels of domestic tax and import duties, the relative value of specific goods and retailers' strategies. Moutinho (1987) later added the cultural dimension to Howard and Sheth's (1969) model of buyer behaviour in their model of the different stages in the decision-making process for purchases.

These early models recognize that tourist consumer behaviour is a result of the tourists' motivation, cognition and learning and influenced by culture, social class, reference groups and the role of their family. Table 2.2 identifies the customer characteristics that are influential in tourist purchase decisions. More recently, Littrell et al. (2004) examined the shopping behaviours of travellers over 50 years old to develop specific shopping behaviour profiles. They developed three profiles that link travel activities and shopping behaviours. The profiled groups (active outdoor/cultural tourists, cultural tourists and moderate tourists) all had some interest in shopping, however, differed in the level of importance of shopping, the likelihood of shopping, and preferred shopping mall characteristics. Turner and Reisinger (2001) presented a framework that segments domestic tourists based on demographic and social characteristics with different preferences for product attributes and services. They suggested that domestic tourists seek a very selective list of goods that do not differ significantly between demographic groups. Shopping satisfaction for domestic tourists does not depend on the type of trip; instead suggesting that shopping is an all-encompassing activity and satisfaction is a direct result of finding the product attributes they value (Turner & Reisinger, 2002).

Another stream of research focuses on the relationship between elements of the retail environment with tourist satisfaction. Reisinger and Turner (2002) studied the relationship between product attributes and satisfaction among Japanese tourists in Hawaii and the Gold Coast, Australia. Tosun, Temizkan, Timothy and Fyall (2007) examined perceived tourist satisfaction with shopping culture, staff service, product value and reliability, physical characteristics of the retail outlet, and payment methods. In the

context of Cappadocia, Turkey, they found that authenticity of goods and experiences achieved higher levels of tourist satisfaction and greater economic benefits for the economy (Tosun et al., 2007). Yuksel & Yuksel (2007) integrated the element of risk perception in their assessment of tourist emotions, satisfaction and behavioural intentions. Heung and Cheng (2000) focused on tourist satisfaction in Hong Kong and highlighted the importance of staff service quality, as it had the most significant effect on tourist satisfaction with shopping, followed by product value and reliability.

Table 2.2. Selected customer characteristics identified in the literature that influence shopping behaviour

Characteristic	Example(s)
Income	Anderson, 1965
Budget	Anderson, 1965
Age, Gender,	Perng et al. (2010); Jansen-Verbeke (1991); Lehto et al. (2004); Oh, Cheng, Lehto, & O'Leary, (2004) Littrell & Paige, 2004
Country of origin, Motivation	Gilbert, 1991; Moutinho, 1987; Turner & Reisinger, 2002 Gilbert, 1991; Moutinho, 1987
Travel purpose	Lehto et al., 2004
Travel style	Lehto et al., 2004
Previous purchase decisions	Moutinho, 1987
Personality	Gilbert, 1991
Learning	Moutinho, 1987
Perception	Moutinho, 1987
Cultural influences	Wang and Ryan, 1998; Moutinho, 1987; Gilbert, 1991; Atilgan et al., 2003; Stauss & Mang, 1999
Group influences	Gilbert, 1991

One strand of research on customer behaviour focuses on understanding the customer experience, including how to create customer experiences, the consumption of experience and the effects of customer experience. In the tourism sector, experiences are an amalgam of products and services (Gopalan & Narayan, 2010), and positive customer experiences can lead to higher expenditures, lower price sensitivity, and increased consumption (Holbrook 2006, Roth & Menor, 2003). The overall tourist experience is a function of many factors including product quality (Baker et al., 2002), service quality (Baker et al., 2002), the shop environment (Dabholkar et al., 1996), price and perceived risk (Stauss & Mang, 1999). Within the shop environment, the experience is influenced by

customers' sensory interactions within the retail environment, including the online environment (Klaus, 2013; Wen, 2013; Novak & Hoffman 2000), rural environments (Hurst & Niehm, 2012), physical store (Baker et al., 2002) and with service staff (Berry, Carbone, Haeckel, 2002 cited in Adhikari & Bhattacharya, 2015). Positive experiences are driven by unique and memorable events, novelty and aesthetics (Price, Arnould and Beibler, 1995).

Recent developments in understanding customer experience have focused on the level of service (Wu, 2007); influence of sensory stimuli including scent, music and color (Naylor et al., 2008); impacts on loyalty (Ooi, 2005); specific brands or companies (Baker, 2002; Kaltcheva, Weitz 2006; Meyer Schwager, 2007); and online interactions (Markwell, 2001). Customer experience has a long lasting impact on satisfaction with a brand (Bolton and Drew, 1991; Boulding, Kalra, Staelin, 1993), and repurchase intention (Ooi, 2005; Yu and Gong 2009). Most specifically, the level of customer service can influence the attractiveness of the company and customer experience and satisfaction, and loyalty (Wu, 2007). Recent contributions include Adhikari & Bhattacharya's (2015) framework to examine traveller experience that considers its precursors, formation and implications. Adhikari and Battacharya (2015) find that positive interactions with staff and positive in-store experience can have a positive effect on buying behaviour, subsequent purchase and loyalty.

The retail environment can influence tourist experience and behaviour through factors like store layout, atmosphere and ease of moving around in the store (Dabholkar et al., 1996). The physical store environment contributes to customer's perceived value and is an important aspect of the shopping experience (Babin et al., 1994). Depending on the characteristics of the physical environment, the store can positively influence customer experience through the provision of unique local experiences, regionally distinct products, entertainment opportunities and superior value for money (Murphy et al., 2011).

Although there is an increase in understanding about customer behaviour in the tourism environment, there remain significant gaps in knowledge. The retail sector is characterized by a rapid rate of change, with customer behaviour and preferences continually adapting. Much of the research on customer behaviour in the tourism industry

is focused on Europe and North America and only recently, have studies focused on Asian markets. Knowledge about Chinese tourist shopping preferences is very limited (Lloyd, Yip, & Luk, 2011).

2.4.2. Retailers in a resort environment

Operating a business in a resort environment has unique challenges and opportunities, often including remoteness, seasonality and two distinct market segments: local customers and tourist customers (Wilson et al., 2001 cited in Hurst et al., 2009). Within the retail sector in the resort environment, the relationship between tourism and retail businesses is often missed (Coles, 2004). Although the strand of literature focused on retailers is limited, this section includes insight unique to the retail sector as well as studies on small tourism businesses and entrepreneurship in the context of tourism destinations.

There are a number of studies that examine small tourism businesses (E.g. Ateljevic & Doorne, 2000; Ateljevic, 2007; Tzschentke, Kirk, & Lynch, 2008; Williams, Shaw, & Greenwood, 1989). Including business management and development practices and the characteristics of tourism entrepreneurs. Williams et al. (1989) found that tourism entrepreneurs have unique characteristics, including being motivated to start the business for non-economic reasons; migrating for the purpose of the business; and lacking any related experience. Entrepreneurs in tourism selected the business location based on a desire to live in the destination. Non-economic motivations include being self-employed and dissatisfied with previous employment. Similarly, Dewhurst and Horobin (1998) found that tourism entrepreneurs use personalized criteria to determine management practices, like social and cultural values, which may include the ability to continue their chosen lifestyle instead of economic factors growth (Ateljevic & Doorne, 2000). Morrison et al. (1999) also note that tourism entrepreneurs balance factors including the needs of family, income and lifestyle (Ateljevic & Doorne, 2000). Ateljevic (2007) similarly found that small business owner-managers in the tourism sector have both commercial and lifestyle goals and strategies and often reject the traditional path of progress due to their sociopolitical ideologies.

Studies have examined the role of retailers in the transformation of tradition (Moreno & Littrell, (2001); the impacts of tourism on retail operations (Dudding and Ryan, 2000) and sector characteristics, including target market (Snepenger, 2003; 2004), type of stores, price points (Snepenger, 1998), type of ownership and level of community benefits (Dudding and Ryan, 2000). Snepenger (1998) used an adapted lifecycle model to highlight how residents' perception of the retail sector changes throughout the stages of tourism development (Snepenger, 1998). He found that destinations retail sectors slowly shift from serving local needs, to exclusively targeting tourists, and eventually displacing stores preferred by locals. Snepenger, Murphy et al. (2003) later adapted Snepenger's (1998) model to incorporate a spectrum of user types to explore the relationships and interconnections between tourists, residents and the shopping environment. Dudding and Ryan (2000) also found that retail business practices shift through the lifecycle of destinations. They found that the level of tourism development affects retailer's business decisions including opening hours, business investments, turnover, and employment structures (Dudding & Ryan, 2000).

2.4.3. Retail resilience

For retailers, immediate disturbances or shocks may include the opening of a new shopping centre or competitor, construction work in the vicinity, or deterioration of the local infrastructure (Spector, 2005; Doyle, 2011; Law, 2014 cited in Dolega, 2015). Long-term, gradual stressors may include the rise in online retailing (Weltevreden, 2007; Dolega 2015), impacts from large-scale retail developments (Dolega, 2015); the shift in consumer culture, to more convenience shopping (Wrigley, 2010); demographic changes, greater customer awareness and price sensitivity (Levy et al., 2004), and the rise of the superstore format (Guy et al., 2005).

Researchers have used resilience concepts to understand the retail influence on urban revitalization (Balsas, 2014), understanding the influence of social and cultural factors on retail resilience (Cachinho, 2014), and the impact of planning and policy (Fernandes & Chamusca, 2014). The majority of literature on resilience in the retail sector exists within the fields of urban planning and retail management with limited attention in the tourism context. The Replacis research group (Resilience Alliance, 2010: 32) defines

urban retail resilience as “the ability of different types of retailing at different scales to adapt to changes, crises or shocks that challenge the system’s equilibrium, without failing to perform its functions in a sustainable way”. Within the retail field of study, this definition is common (Erkip, Kızılgün, & Akinci, 2014; Fernandes & Chamusca, 2014; Kärholm et al., 2014).

Considering the Replacis research group definition of retail resilience, essential to the system’s resilience is the definition of its function. Kärholm et al. (2014) describe retail as responding to the needs, wants and desires of different users, consumers and investors (Rao & Summers, 2016). Retail systems have both private exchange functions, and public good functions (Rao & Summers, 2016), including generating a sense of place, providing access to goods and services for a diverse population, and contributing to environmental and social sustainability (Roa & Summers, 2016). The retail system as a whole should support these functions.

Retail trade is a private sector activity and is predominantly influenced by the actions of individuals, firms (Fernandes & Chamusca, 2014), and local governments through planning regulations and policies (Ozuduru & Guldmann, 2013). Public authorities have used instruments and political measures in an attempt to control the development process of retail and its spatial distribution (Fernandes & Chamusca, 2014).

Local governments often avoid retail planning and policies in urban policy making (Ozuduru & Guldmann, 2013). In the context of retail sector planning, Fernandes & Chamusca, (2014) examined the role of planning in the reorganization of the retail landscape in countries in Europe with different cultural and political approaches. Fernandes and Chamusca (2014) focused on the relation between reorganization and planning policies and urban resilience and state that small family-owned shops that serve local customers and are on traditional shopping streets are particularly susceptible to the influence of out-of-town and large-scale retail projects. The decline of small independent retailers, primarily family owned is widespread in all developed countries (Flavian et al., 2002).

Many retail-planning approaches have challenged changes to retail formats, like superstores and shopping centres. For example, approaches like transit oriented

development, smart growth, and new urbanism focused on the public good function of retail outlets (Rao & Summers, 2016); which support higher density, mixed use development, and integrating neighbourhood corners stores into urban areas (Rao & Summers, 2016).

Countries with a history and tradition of intervention, including Mediterranean countries, have less retail activity concentrated in a small number of chain stores (Flavian et al., 2002). While countries that are more liberal, including northern European countries, have more retailing concentrated in a small number of chain retailers. Rao and Summers (2016) compare the retail planning system of Edmonton, Alberta and Portland, Oregon. They found that Portland's adaptive management approach contributed to retail resilience, to adapt and respond to market changes. Edmonton's planning system was rooted in a specific vision for the city and the planning system remained rigid in the face of changes that made the initial plan untenable, resulting in the collapse of retail planning and loss of public space function of retailing (Rao & Summers, 2016).

Wrigley and Dolega (2011) used the resilience approach to assessing how specific factors influence the resilience of retailers in the UK after experiencing a series of disturbances: the economy crisis 2007-2009 and the rise on online retailing. Wrigley and Dolega (2011) studied the impact of two factors on retail resilience 1) the diversity of a center's existing retail structure and 2) the town-centre-first policy on retail development. Wrigley and Dolega (2011) found that resilient retail centers were characterised by diversity and corporate-food-store entry.

A few studies have examined retail resilience in the context of slow-change factors, including climate change, culture, and globalization. Cachinho (2014) examined the social and cultural contexts that motivate retail patronage and purchasing behaviour to improve the levels of consumer satisfaction. He used a consumer-centric approach to assessing retail resilience in shopping districts. His work examined whether the tenant mix in shopping districts are capable of provided the consumers with their necessary goods; and whether retailers and local authorities have the knowledge and skills to maintain or improve consumer satisfaction in the long term. Cachinho (2012) used an approach that focuses on specific retailers to gain insight on the resilience of broader shopping districts.

Erkip, Kizilgun and Akinci (2014) examined how retailer size and ownership structure in Turkey influence the businesses' type of resilience strategy used. They distinguish between reactive and proactive strategies, with reactive strategies allowing retailers to respond quickly to changes in the environment; and proactive strategies being more effective in building adaptive capacity and preparing for and adapting to change. Erkip et al. (2014) found that the type of resilience strategies employed depends on the scale and adaptive capacity of individual retailers and the strength of their linkages with organized segments of the sector. In this regard, traditional, small retailers tend to be reactive in their approach, focusing on strategies to alter individual retail outlet activity.

The majority of resilience related studies focus on the influence of a few factors within specific retail systems, while there is one example of a framework that generalises and is applicable to multiple systems. Dolega & Celinska-Janowicz (2015) present an analytical framework for examining adaptively resilient retail centers. It links retail sector performance to the underlying development patterns, position in the adaptive cycle and additional driving forces in their reorganization. The framework adapts Gunderson and Holling's (2002) resilience adaptive cycle to the retail context and considers both sudden disturbances and gradual slow-change factors. Dolega and Celinska-Janowicz's (2015) adaptive cycle includes four stages: growth, consolidation, release and reorientation. Innovation and creativity are key concepts that appear in the growth stage, with innovation either creating the potential for growth and new system configurations or prolonging the current regime structure. During the growth stage, there is a high level of resilience, a high rate of churn and many new retail stores open. Dolega and Celinska-Janowicz's (2015) framework includes several factors unique to the retail environment.

The use of resilience concepts to examine retail systems is gaining momentum; but there is a significant gap in understanding the resilience of retailing in a resort environment. However, the existing literature in related fields including community development, tourism, and retailing provides insight into the factors that may influence the resilience of a retail system in a resort environment. Resilience and the highly linked concepts of vulnerability and adaptive capacity are often used to understand how systems respond and adapt in the face of disturbances. For examining SESs, the resilience approach integrates the social and ecological dimensions and considers key social

processes including learning, networks, leadership, organizational and institutional inertia (Folke, 2006). In the context of tourism, researchers have adapted resilience concepts to understand the dynamics of change within a broad range of tourism systems. Seminal studies provide increased comprehension of how resilience varies across individual firms depending on the effectiveness of governance structures (Larsen et al., 2012); individual firm characteristics (Biggs et al., 2012); and their reliance on different resources (Becken, 2013). Additionally, studies highlight the importance of cooperation of various stakeholder groups (Wyss et al., 2015), as well as leadership, learning, flexibility and adaptability (Cochrane, 2010) in creating resilient systems. In the context of resort environments, retail systems are subject to distinct conditions.

In a tourist destination, retailers typically must respond to seasonal fluctuations in visitor activity, a broad mix of customer types including visitors and residents, and a degree of importance on factors that influence authenticity and visitor experience. Within the retailing and tourism literature, studies that examine customer behaviour, satisfaction, and experience provide valuable insight into the factors that may influence system resilience to shifts in customer preferences and behaviour. Customer preferences and behaviour depend on their specific characteristics, including demographic, cultural and lifestyle qualities; however, several studies propose factors related to the retail environment, products, and marketing that influence customer experiences and satisfaction. Examples include high-quality customer service, a positive experience with the retail environment, including authentic, unique, and sensory experiences, and unique and regionally distinct products. The factors identified in existing tourism and retailing literature provide a foundation from which to begin assessing the resilience of a retail system in a resort environment.

Chapter 3. Research Methods

This chapter presents the methods used in this study to examine local business owner and operators perspectives of the retail system in a mountain resort environment. The chapter begins with a description of the study site, the Resort Municipality of Whistler (RMOW), including relevant background information on the resort and its retail sector. The Chapter then overviews the study objectives, research questions and the conceptual model used to frame the study, followed by a description of the methods employed for data collection and analysis.

3.1. Study Site: The Resort Municipality of Whistler

The site selected for this study is the Resort Municipality of Whistler (RMOW) due to its status as a renowned mountain resort, the prominence of its retail sector, as well as its recent history of shocks and stressors. Since 2000, Whistler has experienced the build-up to and execution of the 2010 Winter Olympic and Paralympic Games, a global economic downturn, a shift in local government leadership, and labour supply shortages. These disturbances influenced the systems' conditions, structures and processes that govern the retail sector's resilience.

3.1.1. Resort description

Whistler is a four-season alpine resort located in south-west British Columbia (BC), 125 km north of Vancouver and in the traditional territories of the Lil'wat and Squamish First Nations. The resort is internationally renowned for its abundance of all-season outdoor recreation opportunities, and the quality of the surrounding natural environment, including its lakes, rivers, parks and forests. Whistler attracts over 2.7 million visitors annually and is consistently ranked one of North America's top ski resorts (Tourism Whistler [TW], 2015). In 2016, Whistler won awards from many travel publications, including 'number one overall mountain resort in North America' for the third consecutive year from *SKI Magazine (Whistler Blackcomb, 2016)*.

Whistler is a comprehensively planned resort (Gill & Williams, 2011) based on a pedestrian-oriented concept that integrates Whistler Village with Whistler and Blackcomb mountains. In the vicinity, visitors can enjoy seasonal activities like skiing and snowboarding, snowshoeing, tubing, dogsledding, ice skating, mountain biking, hiking, white water rafting, rock climbing, golfing, and horseback riding. Year-round visitors can participate in activities like ziplining, bungee jumping, sightseeing, arts and cultural events, health and wellness spas, and shopping at Whistler's over 200 retail shops (www.whistler.com).

Whistler is a popular destination for a mix of international and regional visitors and is home to approximately ten thousand permanent residents (Economic Partnership Initiative Committee [EPIC], 2016), and nearly an equal number of non-permanent residents including second-home owners, two thousand five hundred seasonal and temporary residents, and nearly two thousand commuting employees (EPIC, 2016). The alpine resort is accessible from Canada's third largest city, Vancouver, with a metropolitan area population of 2.3 million people (Statistics Canada, 2012), as well as Vancouver's International Airport and Seattle, Washington. Whistler's regional market is comprised of British Columbia (4 million) and Washington (8 million) and has a combined population of 12 million people (Whistler Blackcomb Holdings Inc. [WBH], 2015b). The overall regional population is projected to grow by 25% by 2030 (WBH, 2015).

The retail sector contributes to the local economy, providing 26% of the local Gross Domestic Product (\$361M) and employing 9% of the workforce (EPIC, 2016). In 2015, visitors (individuals who come to Whistler for less than 30 consecutive days) accounted for 78% of all retail expenditures (\$593M). Regional visitors (from Washington State and British Columbia) spent 14% (\$83M) in the retail sector, and destination visitors (from all other areas) responsible for 64% of retail expenditures (\$380M) (EPIC, 2016). Residents are responsible for a combined 22% of retail expenditures (\$130M), with permanent residents accounting for 16% of all retail expenditures (EPIC, 2016).

Whistler has a well-developed retail sector with about 215 retail outlets located within the municipal boundaries and 158 stores in the prominent tourist areas: Whistler Village, Village North, and Upper Village (RMOW, 2014). The remainder of the retail outlet

locations are at Function Junction, Whistler Creekside and North Whistler. Figure 3.1 depicts the relative locations of Whistler's retail nodes. Whistler's retail system includes a mix of independently owned retail establishments and local, national and international chain stores. This includes 18 stores owned and operated by Whistler Blackcomb (WB), the operator of the Whistler and Blackcomb mountain recreation facilities (WBH, 2015b).

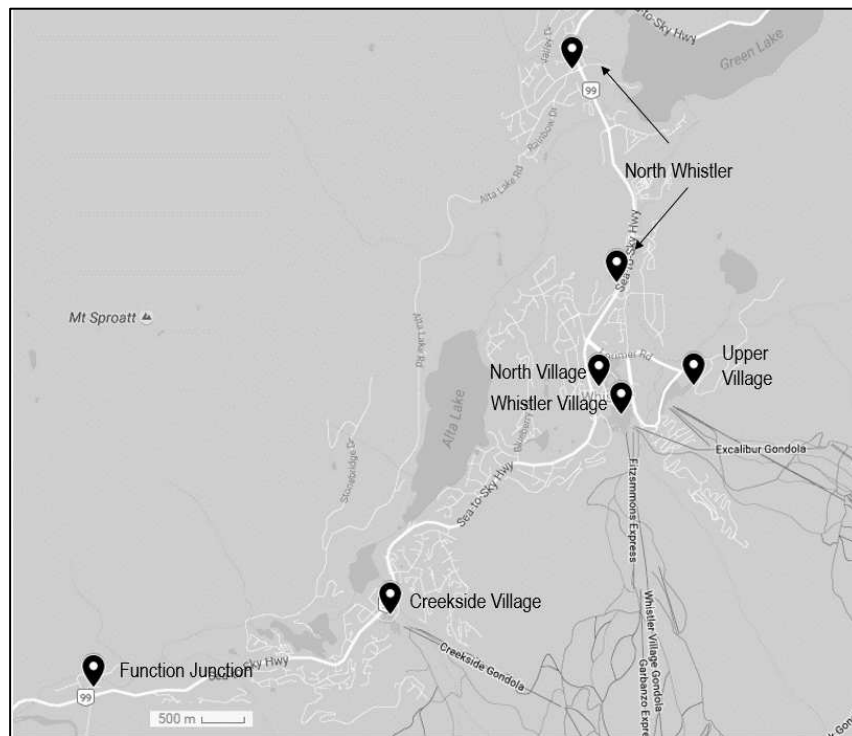


Figure 3.1. Map of Whistler retail nodes

Source: Map data ©2016 Google

There is limited retail sector competition from the neighbouring communities of Squamish, West Vancouver, and Pemberton (Thomas Consultants Inc [TCI], 2006). Squamish and West Vancouver are located on a main route connecting Vancouver to Whistler (see Figure 3.2). Squamish is 60km south of Whistler and has large-scale retailers with lower prices like Walmart and Canadian Tire, in addition to the Garibaldi Village Shopping Centre. West Vancouver is located 115km south of Whistler; its primary shopping mall (Park Royal) is anchored by national department store chains, and includes apparel, electronics, accessories, home and décor, as well as specialty stores. Pemberton is located 30 km north of Whistler, and has a limited retail offering. The Pemberton Chamber of Commerce has approximately 30 retail members operating

supermarket, pharmacy, hardware, automotive, sporting goods, and specialty food businesses (Pemberton & District Chamber of Commerce, 2016).



Figure 3.2 Map of Whistler's regional retail sector competition
Source: Map data ©2016 Google

3.1.2. Whistler's history of development

Whistler developed into a ski resort during the 1960s with the vision of hosting the 1968 Winter Olympics (Vaugeois et al., 2013). Although the bid to host the games was unsuccessful, the Garibaldi Lift Company began operating Whistler's ski slopes in 1966 and set the foundation for Whistler to develop into an internationally renowned resort (Vaugeois et al., 2013). In 1975, the British Columbian government designated Whistler a resort municipality to support the provincial tourism sector. The designation provided Whistler with additional powers of taxation, and financing to support the infrastructure needs of the resort, as well as marketing through a dedicated destination marketing organization, Tourism Whistler (TW) (Gill, 2000). The designation supported Whistler's development in agreement with its master plan. The plan laid out the blueprints for an attractive and dynamic village, specifying the appropriate use of real estate throughout the

village, including ideal locations for retail and entertainment offerings along the village stroll. The RMOW has zoning bylaws to maintain the vision for Whistler Village.

Following its designation, Whistler went through a period of rapid development that continued into the early 1980s. Community members began to consider the potential negative consequences of growth (Gill & Williams, 1994) and in the late 1980s and early 90s Whistler articulated the need to limit growth and development within the municipality and maintain the appeal and character of the destination (RMOW, 1993). Through a community development plan and official community plan, the resort adopted growth management principles. The community's interest in managing growth and development continued into the next decade, as evident through the community-driven policy document, *Whistler2020*. Planning to develop the document began in 2000 in the context of high levels of visitors, rising real estate prices, high infrastructure costs, low levels of affordable resident and employee housing and challenges with environmental degradation and climate change (Gill & Williams, 2011). *Whistler2020* articulated the community principles, vision, and priorities for the RMOW, with the overarching mission to facilitate Whistler as the premier mountain resort community as it moves towards sustainability (RMOW, 2006). The five community priorities are to enrich community life, enhance the resort experience, protect the environment, ensure economic viability and partner for success (RMOW, 2006).

Soon afterward, in July 2003, Whistler won the bid to co-host the 2010 Winter Olympic and Paralympic Games; becoming the first official "host mountain resort" in partnership with the City of Vancouver and the four host First Nations (Gill & Williams, 2011). During the lead up to the Games, Whistler used the momentum to leverage the political will and financial resources available to negotiate agreements with the Province of British Columbia, the federal government and Vancouver Olympic Organizing Committee for additional benefits (Gill & Williams, 2011). During the Olympics build-up, Whistler benefited from federal and provincial funding for projects related to hosting the games; the creation of a hotel sales tax for tourism-related infrastructure and marketing; a \$50 million legacy fund for Whistler sports venue management (Gill & Williams, 2011); and local contracts to sell Olympic Games-related merchandise (Piech, 2008). During this period, the region also received approximately \$2 billion of highway and airport

infrastructure improvements, which included widening the highway from Vancouver to Whistler (WBH, 2015b).

As one of the legacies of the 2010 Winter Olympics, the Province of British Columbia created the Resort Municipality Initiative (RMI) (RMOW, 2011a). The RMI program provides revenue for the RMOW to support tourism-based services and infrastructure to attract more visitors and encourage longer visits. Total program funding is limited to \$10.5 million per year, which is distributed among 14 eligible municipalities depending on the number of accommodation units, and the accrued payments of municipal and regional district tax (hotel room tax). Since its inception, Whistler has used the RMI funds to support a Festivals, Events and Animation (FEA) program, which TW continues to support (through their 2014-17 strategic direction for marketing the resort and attracting visitors) (Tourism Whistler [TW], 2014). In 2011, the RMOW allocated \$3 million for FEA (RMOW, 2011a).

During the lead-up to the Olympics, in 2005, London Drugs applied for commercial space in Whistler Village to be re-zoned to accommodate a 17,000 square foot store (Mitchell, 2005). The issue was divisive within the community and sparked a debate that lasted nearly two years about the need to maintain Whistler's image and appeal to visitors and for affordable goods for residents. The issue prompted RMOW to commission Thomas Consultants Inc. (TCI) to prepare a retail strategy, which included a background report and retail strategy recommendations for how to improve the retail experience and performance as a world-class alpine resort destination (TCI, 2006, 2007). Underlying the TCI (2006, 2007) work was the vision to support economic diversification and a sector that is viable year-round. The report recommended that Whistler develop distinct community neighbourhoods and experiential precincts and restrict the creation of additional retail space, supporting the council's 2007 decision to reject London Drug's re-zoning application (Taylor, 2007).

Two years out from the Olympic Games, the world experienced an economic crisis, negatively influencing tourist volume and expenditures and challenging many local businesses (Hollis, 2014). In 2008, the number of paid nights that visitors spent in Whistler decreased significantly from 2007 numbers. In the winter, accommodations experienced

an 8% decline, and the following summer received a 6% decline (Tourism Whistler [TW], 2015). Although Whistler experienced the shock of the economic recession, the upcoming Olympics raised national and international awareness of Whistler and when local real estate prices lowered, Whistler attracted several retail chains to enter the local market (Ogilvie, 2009).

The 2010 Winter Olympic Games filled the resort with athletes and spectators, and its media coverage reached an estimated 3.5 billion viewers globally, increasing awareness of the resort dramatically in international markets including the United Kingdom, Australia, and Germany (WBH, 2015b). Although such an event can create positive effects for tourist perceptions and awareness of the host destination (Singh & Zhou, 2015), in the months leading up to and following the games Whistler experienced small decreases in visitor numbers. Local media attributed the slow period to the 'Olympic aversion' phenomenon, which caused visitors to avoid Whistler in attempts to evade crowding and high prices ("Olympic aversion", 2009; Hollis, 2014). Post-Olympics, Whistler began to feel the implications of the 2008 economic recession due to multiple factors including a strong Canadian dollar, lower visitor numbers (TW, 2015), and consequently, Whistler experienced fewer destination guests with less spending power (Hollis, 2014). In 2010, the municipality granted the permits for Shoppers Drug Mart to open a 5000 square foot store in the location of the previously proposed London Drugs store (Taylor, 2010).

In 2011, the community replaced the standing mayor and six councillors with an entirely new leadership that has been described as more concerned with fiscal restraint (Sheppard, 2015). In 2012, the new RMOW leadership launched the Economic Partnership initiative (EPI), a collaborative committee of local economic stakeholders to provide Whistler with a new strategy for diversifying its economy. The committee included representatives from the RMOW, Whistler Chamber of Commerce (WCC), WB, TW, the Hotel Association of Whistler and a community member at large.

In October 2013, the EPI committee released its *Summary Report of Key Findings*, which includes thirteen economic strategies in five focus areas with over 50 individual recommended actions over the immediate, short and long-term (EPIC, 2013). Several

recommendations encouraged growth and local reinvestment, included initiatives to improve Whistler Village shopping, service and eating precincts and a retail mix evaluation and benchmarking assessment (EPIC, 2013). The *EPI* also defined guidelines for evaluating potential investments using the Olympic Legacy RMI funds to maintain and grow Whistler's tourism economy. Regardless of the efforts, many local businesses failed to remain competitive and closed (French, 2012), with several local retail owners selling to competitors like WB (Taylor, 2014b). In 2014, local business owners created the Whistler Association of Retailers and Merchants (WARM) to provide the retailers with a stronger voice and an advocate within the community (<http://www.facebook.com/WARMWhistler>).

During this period, WB made several announcements for investments in infrastructure. In 2013, WB announced an \$18 million investment in new lifts, and in 2014, announced a \$6 million upgrade to its gondola. In 2016, WB announced the Renaissance Project to engage in \$345 million dollars of new attractions and infrastructure and later in the year, Vail Resorts acquired a controlling share of Whistler Holdings Inc. (Vail Resorts, 2016).

3.2. Research Method

The objective of this study is to gain insight into the local retail environment and understand the system components that influence its resilience, vulnerability, and adaptive capacity. The research uses a single case study approach to examine the factors that influence resilience in Whistler's resort retail system. Retail is a vital sector to understand and support adequately as it is integral to attracting tourists, and is significant to the overall resilience of the destination (Becken, 2013). The case study method allows an in-depth analysis (Saldana, 2011) with both richness and depth considering limited time and resources (McGehee, 2012). The case study approach is appropriate when seeking a broad understanding of the actors, interactions, and behaviours occurring (Gillham, 2010; Woodside, 2010), as well as for understanding individual, group, organizational, social and political phenomena (Yin, 2009). The case study methods are also standard for empirical studies within retail system resilience (see Findlay & Sparks, 2012; Kärrholm et al., 2014; Rao & Summers, 2016) and tourism systems (see Becken, 2013; Biggs, 2011;

Strickland-Munro & Moore, 2010; 2014)). Furthermore, considering the strong human component in tourism systems, the qualitative approach allows for a rich interpretation of human systems and is more likely to support the design and implementation of interventions that will move towards sustainable management (Cochrane, 2010). Besides, qualitative approaches may be most appropriate as resilience and vulnerability relate to social processes and system interactions that are not easy to measure or quantify (Adger, 2006).

More specifically, this research aims to examine local stakeholder perspectives; identify key system elements and interactions that influence retail resilience; and understand the dynamics between influential components, including interconnections and feedback loops. Relevant system features include retail sector conditions, tourism, and retail-specific sensitivities, and local conditions, organizations, governance processes and structures. The focus is on Whistler's retail system between April and December 2015 and specifically on the perspectives of local business managers and owners with retail enterprises located within the tourist areas of Whistler Village, Village North, and Upper Village.

3.2.1. Data collection

For this study, I collected data using multiple methods to validate the data and improve the credibility and trustworthiness (Saldana, 2011; Woodside, 2010). The data were comprised of interview and survey responses, as well as secondary data from community and industry documents. The secondary source documents are useful to provide the case context and support the interpretation of primary data (Yin, 2009).

Secondary information sources

The secondary sources I reviewed included official community documents, industry reports, local news magazines, and reports from the WCC, TW, RMOW, and local companies (see Table 3.1). These secondary sources were available to the public via the internet, and were an unobtrusive way to access data and clarify results from the other research methods. Local media, such as council meeting minutes, news articles, and local organization websites provided insight on how residents, the municipality, and the

business community perceived the retail environment. The secondary data review also included the analysis of business licence data collected by the RMOW for a separate retail mix study.

Table 3.1. List of select secondary documents reviewed for this study

Type	Document
Community document	<ul style="list-style-type: none"> • Official Community Plan (1993) • Whistler2020: Moving towards s sustainable future (2006) • RMOW Corporate Plans (multiple) • Comprehensive Development Plan (1993) • Whistler Retail Strategy Council Update (2012) • Whistler Village Design Guidelines • Whistler Village 3.0 Neighbourhood Draft Placemaking report • RMOW Council Action Plan (2012-2012) • RMOW council meeting minutes (multiple) • Economic Partnership Initiative: Summary of Key Findings (2013) • Council Retreat Report: Presentation to Whistler Council • RMOW Corporate Plan Year-end Progress Update (2012) • Draft Placemaking Report (2013) • Whistler Village 3.0 Neighbourhood Placemaking Workbook • Administrative Report to Council: Whistler Retail Strategy (2009) • RMOW Annual Reports (multiple)
Industry report	<ul style="list-style-type: none"> • WB Master Plan Update (2013) • Whistler Sustainable Retail Study Findings & Recommendations (2007) • Whistler Sustainable Retail Background Study (2006) • TW, Annual Report (2014; 2015) • WBH, Annual report (2014; 2015) • WCC, Finding Solutions to Whistler’s Labour Challenges, • WCC, Commercial Lease Report (2016)
Municipal bylaw	<ul style="list-style-type: none"> • Official Community Plan Bylaw No. 1983, 2011 • Zoning and Parking Bylaw No.303, 2015

Primary data: Interviews and online survey

The primary source data used for this study included notes from key informant interviews and the responses from an online web-survey of local business owners and operators. I collected the data as part of a retail mix study jointly led by the WCC and RMOW, in which I was engaged as a research assistant. The jointly led study was one of the recommended actions from Whistler’s Economic Partnership Initiative (EPI)

(described in Section 3.1.2.). The retail mix study aimed at identifying existing challenges and opportunities to strengthen Whistler's retail sector and its recommendations were incorporated into the EPI Updated Summary of Key Findings and Economic Planning Report (2016). The WCC/RMOW study included a literature review, key informant interviews, an online business survey, post-trip visitor surveys, and stakeholder discussion groups, which occurred between April and December 2015. The retail mix study focused on the predominant tourist areas of Whistler Village, Village North and Upper Village, which influenced the study site for this research project. The retail nodes included in this study were selected because they are within the scope of the WCC/RMOW study's data set; while the retail nodes excluded from this study (Function Junction, Whistler Creekside and North Whistler) were beyond the scope of the data set.

The collection of data for this study followed WCC and RMOW protocols and I collaborated with WCC and RMOW representatives to design an online survey, interview protocols, and facilitate a stakeholder discussion. The online web-survey questions (Appendix A) were designed based on key themes in the relevant literature. The survey objective was to identify key challenges and opportunities for the retail sector, as well as gauge the current perspective of business owners and operators. Major themes included in the questions were innovation; customer experience and satisfaction; challenges, obstacles and constraints; and opportunities for evolution and development. WCC launched the online web survey using their regular online platform for conducting member surveys, Survey Monkey. WCC sent out an email invitation with a link to the survey to an existing mailing list, followed by reminder emails and personal follow-up reminders. The survey had 66 responses, 24 of which were valid for the purpose of this study; responses excluded from the analysis were incomplete or respondents were not business owners in the retail sector. All information that could be used to identify the web survey respondent was removed and each response was assigned a unique four-digit number as an identifier.

This study also includes the analysis of notes from four semi-structured interviews (numbered 1 to 4) and one discussion group with principal informants that occurred from July to October 2015. WCC selected key informants based on the informant's level of knowledge in the community and included local retail business owners and operators, real estate agents and planners. Further information about key informants that may be used

for their identification is omitted to maintain their confidentiality. Interviews were voluntary and as part of the interview protocol, I provided participants with a verbal overview of the purpose of the research and use of the data and asked consent to proceed. I used an interview guide with floating prompts to explore specific issues and to maintain the natural flow of conversation (Appendix B). While interviewing, I used techniques McGehee (2012) identified as useful to prevent misunderstandings and improve the accuracy and validity of results, particularly active listening and taking advantage of the repetitive nature of interviewing. I documented the interviews with detailed notes and reviewed the records to identify key themes.

3.2.2. Data analysis

Results from the analysis were triangulated using the multiple data sources, as well as additional industry reports, academic sources, local news sources, and policy documents. The investigative process and the data analysis was framed using an original conceptual framework, the Destination Retail Resilience Framework (DRRF) (described below in Section 3.2.3), which I derived from resilience and vulnerability concepts grounded in the literature (presented in Chapter 2).

As the web-survey questions (Appendix A) and interview questions (Appendix B) were not designed specifically for the purpose of this study, there were limitations in using the data set. The original survey and interview questions did not address all the system components that may be relevant to retail resilience. I analyzed the data with reference to resilience concepts and guided by the DRRF, however, there were conceptual areas where data were lacking and community documents were used to provided additional context. The DRRF provided the frame for analyzing the retail sector's defining features and identifying potential linkages and feedback loops between system components and overall vulnerability and resilience. Influential elements were organized according to the DRRF headings and mapped conceptually to depict potential linkages.

3.2.3. The Destination Retail Resilience Framework (DRRF)

The Destination Retail Resilience Framework (DRRF) incorporates multiple systems approaches to examine the retail sector in Whistler and address the research questions outlined in Chapter One. The model is designed to explore a place-based retail system and identify factors that influence resilience in a resort environment, including specific actors, conditions, and processes. Highlighting these system components provides the opportunity to identify opportunities for interventions or adjustments to improve system resilience or reduce vulnerabilities.

The framework integrates vulnerability and resilience concepts from the literature that are relevant to retail systems and builds on previous conceptual models by Turner et al. (2003) and Calgaro et al.'s (2014). The DRRF draws on Calgaro et al.'s (2014) DSF, which is described in Section 2.3.1 and aligns with wider debates on sustainability within the human-environment systems (Calgaro et al., 2014). While Calgaro et al. (2014) integrated tourism-specific sensitivities; the DRRF adds additional components specific to the retail sector, and other tourism-specific sensitivities, destination conditions, and destination characteristics relevant for a retail system. The DRRF presented here is a concise model to enable analysis, which is standard for vulnerability and resilience assessments (Turner et al., 2003). Although ideally, the framework would consider the totality of the retail system that is conceptually unrealistic.

The DRRF is comprised of six elements that are either internal or external to the retail system (see Figure 3.3). Components in the periphery are 1) shocks and stressors; and 2) scale; while elements nested within the retail system are 3) vulnerability, which includes exposure and sensitivity; 4) system resilience, which includes adaptive capacity; 5) coping response; and 6) feedback loops. The model is designed to guide the investigative process and includes lists of factors that shape each of the system elements. The lists are not exhaustive and, depending on the specific system and disturbances, may vary. The model is for adaptation throughout the investigation according to the unique socio-political and environmental conditions of the study context.

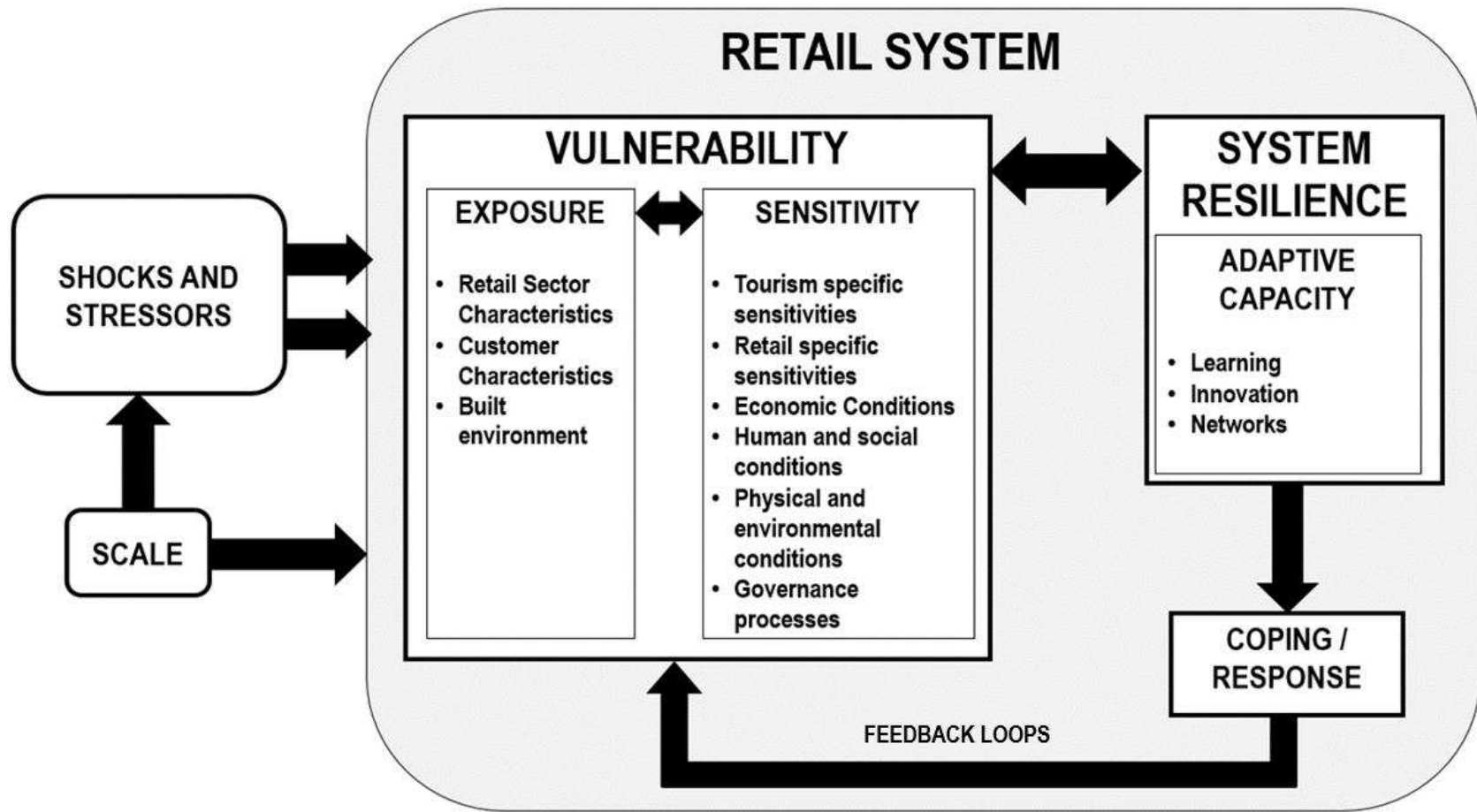


Figure 3.3. Destination Retail Resilience Framework
 Source: Derived from Calgaro et al., 2014; Turner, 2003

The DRRF considers the influence of multiple spatial and temporal scales on the retail system. While resilience is place-based, the interactions between system components occur through networks that transcend local boundaries and extend into regional, national, or international scales (Calgaro et al., 2014). These spatial scales along with time encompass the 'scale' box, which links to the stress and stressors.

The retail system

Depending on the particular destination or application, the DRRF is appropriate for multiple definitions of retail systems. Definitions may include different scales of retail (individual retailer or local or regional economic sector) or specific types of retail defined by the kind of ownership (independent, chain); or geographic location (rural, urban, shopping street retailers) (Dolega & Celinska-Janowicz, 2015). Regardless of the precise definition, the retail system is one of many interconnected sub-systems within the resort destination, with actions and interactions within one sub-system influencing the dynamics within others. Characteristics and conditions of the retail system influence its vulnerability, resilience, and ability to respond and cope with disturbances, in addition to interactions at other scales. For example, a shift in marketing strategies for the resort as a whole may cause a corresponding shift in customer demographics and demand within the retail system, causing a change in exposure and sensitivity to disturbance.

The retail system is inevitably subject to different types of disturbances in the form of shocks or stressors. Shocks and stressors can originate inside or outside the system (Turner et al., 2003) and may be interlinked (Dolega & Celinska-Janowicz, 2015). Shocks are rapid onset events, while stressors are slow-onset events (Calgaro et al., 2014). Examples of shocks are terrorist attacks, natural hazards, and health epidemics, while examples of stressors are climatic changes, environmental degradation, biophysical elements, economic downturns and changes in consumer behaviour and travel trends (Calgaro et al., 2014). Shocks and stressors can happen simultaneously, and the resources required to respond depend on the severity and nature of the disturbance.

The DRRF includes external shocks and stressors as a box outside the system. The location of the box is not to suggest that changing conditions within the system or changing system characteristics cannot disturb the system and reveal vulnerability and

resilience levels. However, to facilitate analysis, the DRRF considers internal changes as an element within the system and assesses these changes as part of vulnerability and resilience. For example, the opening of a new retail outlet is an internal change that may alter the retail sector characteristics or local conditions and guided by the DRRF, the impact of that internal change would be considering through the analysis of system vulnerability.

Vulnerability

Vulnerability is “the degree to which a system, subsystem, or system component is likely to experience harm due to exposure to a hazard, either a perturbation or stress/stressor.” (Turner et al., 2003: 8074). Vulnerability is particular to the place and system and influenced by the specific characteristics of the system, including the system's exposure, sensitivity, and resilience to disturbances (Turner et al., 2003).

“Exposure” is the degree to which the retail system encounters stressors or shocks; which depends on characteristics of the structure and nature of the retail sector, its customers and environment. The DRRF depicts exposure through an inventory and analysis of the retail system's defining characteristics. In the context of a resort retail system exposure depends on the composition and characteristics of the retail sector, its customer markets and the physical environment.

“Sensitivity” is the extent that exposure to stress will affect the retail system that is a function of pre-existing internal conditions such as the levels of and access to accumulated capital necessary for coping with a disturbance (Turner et al., 2003). The institutions and processes that determine access to capital are particularly relevant for understanding system weaknesses, including local power dynamics, social networks, and the effectiveness of governance systems. The DRRF guides the assessment of system sensitivity through the account of relevant system conditions, as well as, tourism and retail sector sensitivities. For retail systems, sensitivity is shaped by local conditions (social, physical, and economic conditions; and governance processes), in addition to tourism and retail-specific sensitivities. System sensitivities may influence exposure; and the two-way arrow represents their interconnected relationship.

System resilience

System resilience is the ability of the retail system to absorb disturbance and reorganize while undergoing change and maintaining the same essential function, structure, identity, and feedbacks. For destination retail systems, a resilient system must be capable of retaining its economic viability and respond efficiently to the needs of different consumer groups.

A vital component of resilient systems is their capacity to adapt and respond to disturbance. This quality, “adaptive capacity”, is dependent on the main social and institutional relationships and processes (Armitage, 2005), including social networks, associations, and collaboration (Adger, 2000; Folke, 2006). Adaptive capacity relates to system learning, flexibility, experimentation and adopting novel solutions (Walker et al., 2002). The DRRF includes adaptive capacity as a consideration for system resilience and provides a systematic approach to examine the factors that influence adaptive capacity in retail systems. Key system structures and processes that influence adaptive capacity include learning, flexibility, networks and connectivity and innovation. The arrow between system resilience and vulnerability represents the interconnected nature of these system elements. For example, if the system has the internal capacity to anticipate shocks and respond accordingly, the system is less sensitive to shocks.

Coping response

After experiencing a disturbance, systems may respond with immediate and short-term coping strategies, as well as long-term adjustments and adaptations (Calgaro et al., 2014). Short-term and immediate coping responses are a function of the available capital, the effectiveness of governance structures, and system preparedness, while long-term adaptation and adjustment may also involve self-organization, reflection, social learning and taking opportunities to reorganize (Calgaro et al. 2014). The outcomes of response actions have feedback loops into system vulnerability, which then determine new levels of system exposure and sensitivity to future disturbances (Cunliffe, 2006 cited in Calgaro, 2014). Successful actions that strengthen the system, by improving preparedness, social cohesion and learning, improve access to resources and equity and ultimately decrease exposure and sensitivity to disturbances (Calgaro et al., 2014). While the lack of

adaptation or failed interventions can compound exposure and sensitivity and increase system vulnerability (Calgaro et al. 2014).

The timing and sequencing of interventions are critical considerations (Dolega and Celinska-Janowicz, 2015), with appropriate coping responses dependent on the particular disturbance experienced (Lew, 2014). Lew (2014) differentiates the suitable responses based on the characteristic of the disturbance and its speed of pressure for change, with only some disturbances requiring urgent and flexible responses (Lew, 2014). In some other cases, spontaneous responses may be undesirable, expensive and chaotic due to power struggles and actors with conflicting agendas (Dolega and Celinska-Janowicz, 2015).

Chapter 4. Study Findings

This Chapter presents the study findings derived from key informant interviews and responses to an online survey of local business owners and operators in the Whistler's resort retail system. The findings are organized into sections according to the core concepts in the Destination Retail Resilience Framework (DRRF), described in Chapter 3. This Chapter begins with a description of the study respondents, then outlines critical elements of Whistler's destination retail system (DRS) including the retail mix, customers, and relevant influential organizations. The Chapter then describes retail system characteristics that local stakeholders perceived as influential in shaping the retail sector and its performance. The findings presented in this Chapter are later discussed with reference to the relevant literature and community documents in Chapters 5 and 6.

4.1. Study Respondents

The study findings are based on multi-method research, using both primary and secondary data. The primary data originate from a combination of interview notes and responses to an online survey. I interviewed four individuals with professional and personal expertise, and knowledge relevant to Whistler's retail sector. For reasons of confidentiality, further information about the key informants interviewed will not be included. The survey data is a subset of 24 responses from an online survey of local business owners and operators, conducted by the Whistler Chamber of Commerce (WCC) and the Resort Municipality of Whistler (RMOW). The 24 responses were from retailers with businesses in the study area: Whistler Village (48% of respondents), Upper Village (24%), Village North (8%), or did not specify (20%). The respondents specialized in a mix of type of merchandise, had an extensive range of experience in retail operations in the RMOW and sell to a combination of visitors and residents. Figure 4.1 shows the portion of retailers who specialize in select categories of merchandise; Figure 4.2 depicts the number of years the respondents' retail outlets have operated in the RMOW; and Figure 4.3 shows the percentage of respondents who indicated their retail outlet includes each type of customer in their market niche.

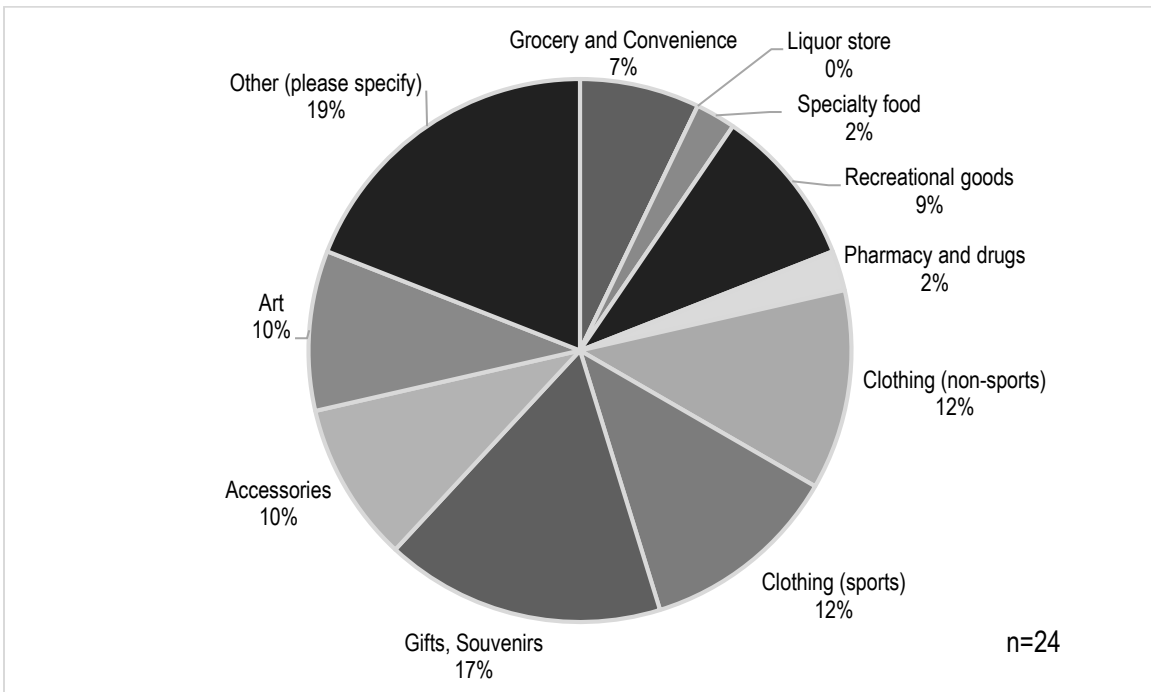


Figure 4.1. Survey respondent retail merchandise by percentage specializing in each category

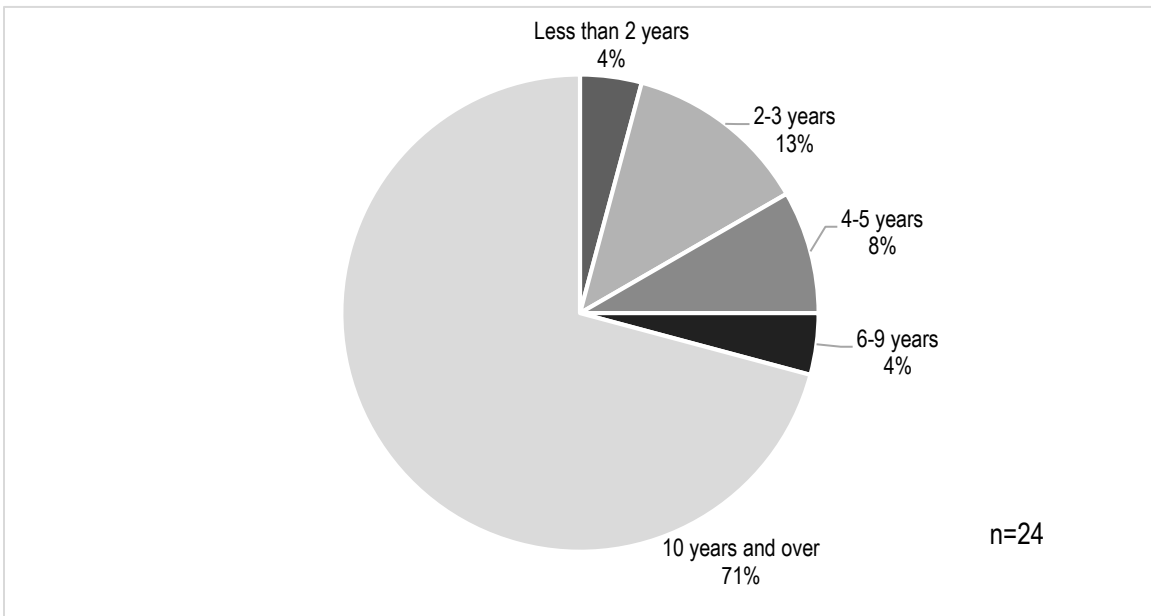


Figure 4.2. Survey respondent longevity of operation in Whistler by category of operating years

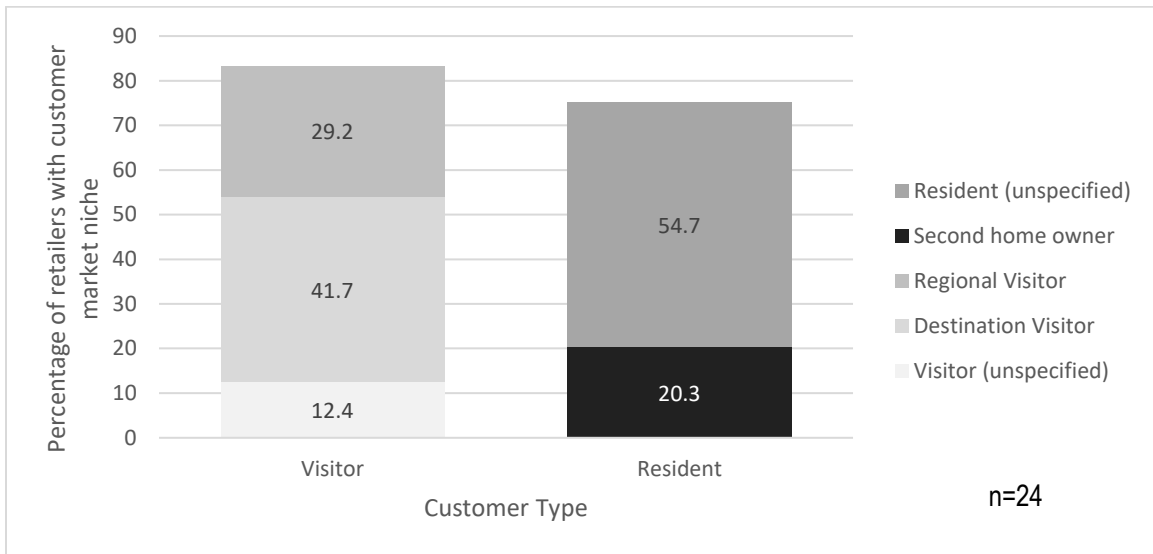


Figure 4.3. Percentage of survey respondent with customer market segments
 Note. Percentages add to more than 100 per cent as respondents could respond with multiple customer segments.

4.2. Whistler’s Destination Retail System (DRS)

A retail system can be defined in multiple ways and can include different scales and specific types of retail (Dolega & Celinska-Janowicz, 2015). A retail systems can be a specific retail sub-sector, an individual retail organization, or entire economic regions. Whistler’s DRS is an economic sector in RMOW containing all retail outlets in Whistler Village, Upper Village, and Village North (see Figure 4.4 for the retail node locations). The DRS includes the geographic area where the majority of tourist retail activity occurs and includes retail outlets that receive the majority of their revenues from the visitors as opposed to residents. Whistler’s retail sector is an integral component of its local economy. The retail sector contributes 26% of Whistler’s gross domestic product and employs nearly 10% of Whistler’s labour force¹ (EPIC, 2016).

4.2.1. The resort retail mix

The Whistler DRS includes approximately 158 retailers and merchants located in the Whistler Village, Upper Village, and Village North that offer a broad range of products

¹ Data is not specific to the DRS, only statistics for Whistler’s entire retail sector were available.

and include a mix of independently owned retail establishments, and regional, national and international chain stores (RMOW, 2014). Retailers' primary merchandise includes clothing and apparel (34%), recreational goods (21%), grocery and convenience items (16%), pharmacy and health products (6%), liquor (5%), accessories (3%), art (4%) specialty foods (2%), gifts and souvenirs (3%), and other items including books, electronics, hardware, and photography (6%).

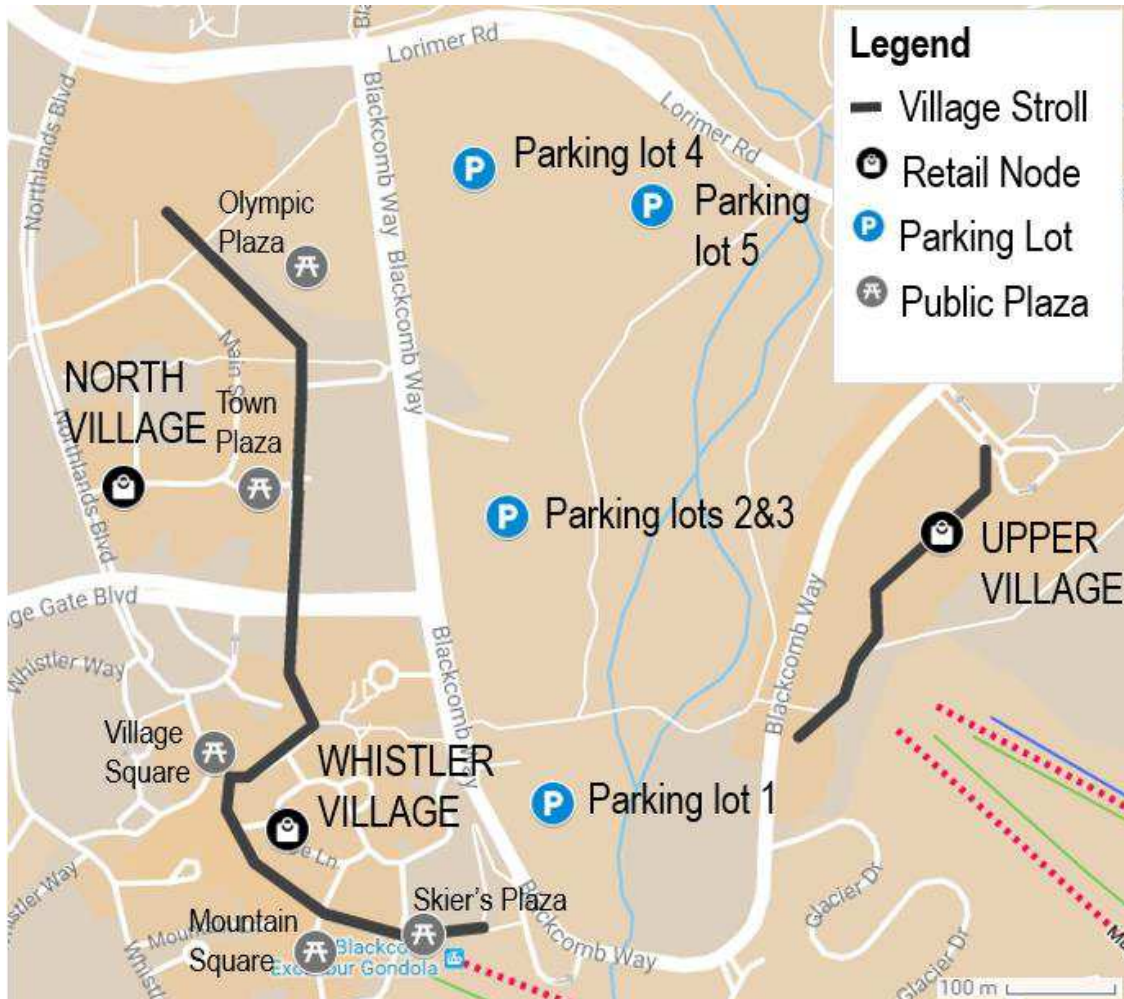


Figure 4.4. Map of the Whistler's destination retail system

Source: Map data ©2016 Google

4.2.2. Retail customers

Whistler's retail system customers are a mix of visitors and locals. In their reporting, the Resort Municipality of Whistler (RMOW) typically distinguishes between visitor and resident types. Visitors are either destination or regional visitors and residents are

permanent residents, seasonal residents, or second homeowners (EPIC, 2016; TW, 2015). Regional visitors reside within the regional area of British Columbia (BC), Canada; and Washington, USA, while destination visitors reside outside this area (EPIC, 2016).

There are approximately 2.7 million overnight and day-trip destination and regional visitors per year that originate from core markets in Canada, USA, the United Kingdom and Australia; secondary markets in Germany, Mexico, Japan, Alberta and Texas; and emerging markets in China, India, Brazil and Quebec (Tourism Whistler [TW], 2015).

In 2015, the retail sector had \$593 million in annual expenditure, from destination visitors (64%), regional visitors (14%), permanent residents (16%), second home and temporary residents (5%) and commuting employees (1%) (EPIC, 2016). Overall expenditures for all customer types increased by 12.5% (EPIC, 2016).

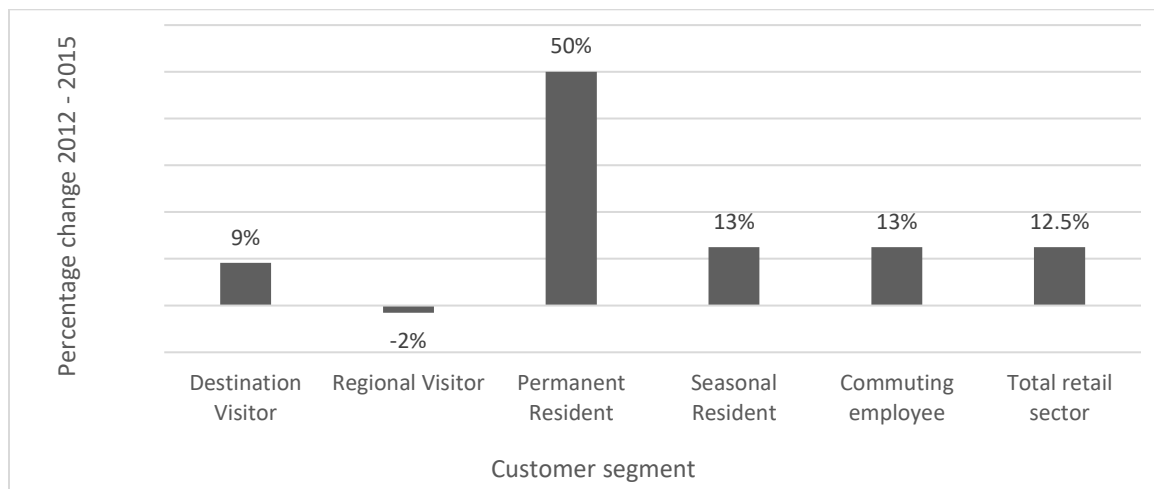


Figure 4.5. Percentage change in retail expenditures by customer type for Whistler 2012-2015

Source: Adapted from EPIC 2013; 2016

Since 2012, total retail sector spending in Whistler increased by 12.5% (EPIC, 2016). The increase in spending varied depending on the category of customers (see Figure 4.5). Spending patterns also differ considerably for winter and summer seasons. Regional visitors spend on average \$145 per day in winter and \$115 per day in summer. Destination visitors spending ranges from \$350 per day in winter to \$150 per day in summer (EPIC, 2016).

4.2.3. Influential organizations and stakeholders

This section describes organizations and local stakeholders that are influential in shaping the destination retail system (DRS), particularly the Municipality (RMOW), Whistler Blackcomb (WB), Tourism Whistler (TW), and Whistler Chamber of Commerce (WCC). Although the organizations described operate on a resort wide scale and outside the retail system, their actions and linkages within the retail system are influential to shaping its functioning, vulnerability and resilience.

Resort Municipality of Whistler (RMOW) governance

The RMOW has a municipal council comprised of a mayor and six councillors. The Council serves for four-year terms (RMOW, 2005). The current mayor, Nancy Wilhelm-Morden first took office in 2011 and was re-elected in November 2014. The Mayor and Council govern in accordance with its *Council Governance Manual*, which articulates their roles and responsibilities, and specifically states the Council responsibility to maintain relationships with local stakeholders including WB, WCC and TW (RMOW, 2005).

The RMOW is divided into four main divisions: chief administrator's office, corporate and community services, infrastructure, and resort experience. The chief administrator is the link between the council and the RMOW staff. Figure 4.4 depicts the organizational structure of the departments within the resort experience division, and lists select departmental responsibilities that are particularly influential for the retail sector.

The RMOW is responsible for creating, implementing and enforcing regulations, strategies and policies that influence the retail environment at the local scale. Zoning and development bylaws shape the commercial environment and affect the physical evolution of the resort. The municipality is also responsible for maintenance of municipal property and providing municipal services, which influences the overall character of the RMOW's physical environment.

Municipal policies, strategies and plans

The RMOW has the power to enact bylaws and create policies and plans that shape and regulate certain activities within the municipality's boundaries. The RMOW's

most influential plans and strategies currently include *Whistler2020* (2006), *Official Community Plan Bylaw No.1021, 1993*, *Corporate Plan* (2016), and *Economic Partnership Initiative Report* (EPIC, 2013; 2016).

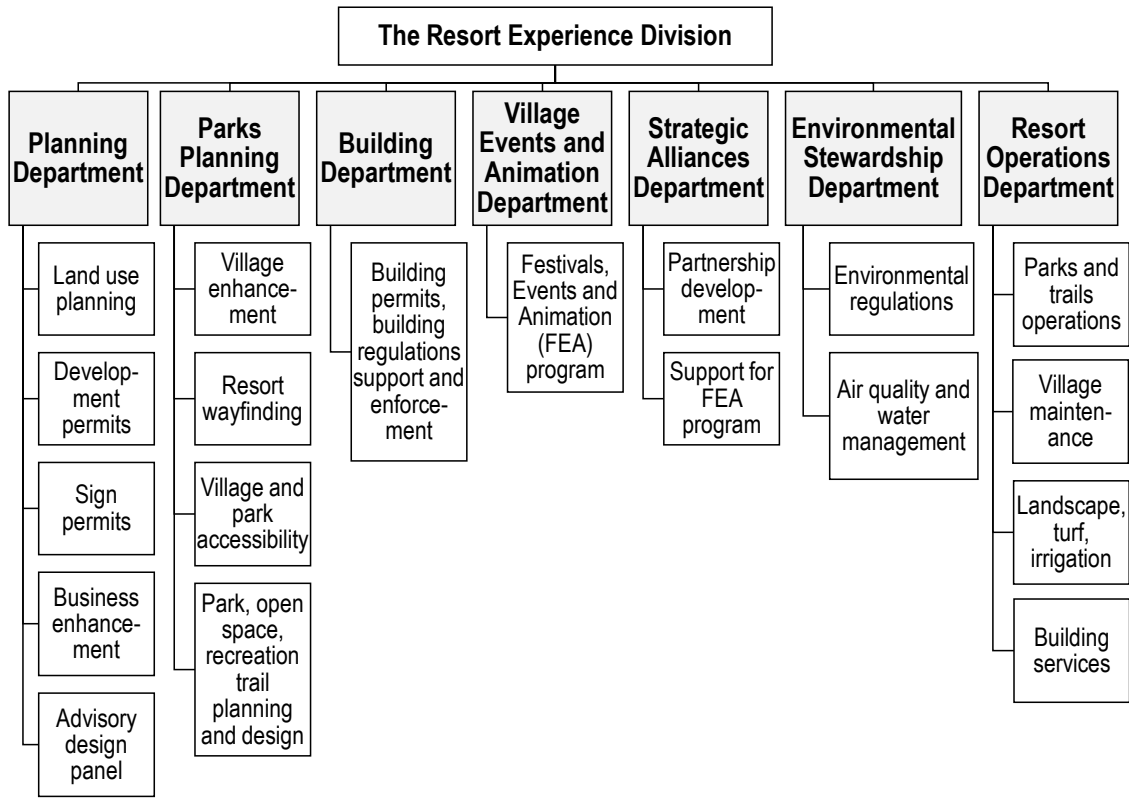


Figure 4.6. The Resort Municipality of Whistler (RMOW) organizational structure and select responsibilities for the Resort Experience Division

Source: Adapted from Resort Experience, 2016

Whistler 2020 Vision

Whistler’s overarching policy document is *Whistler2020: Moving Towards Sustainability* (RMOW, 2006), with all subsequent municipal plans and policies to be consistent with the priorities and vision articulated in *Whistler2020*; Whistler developed the document through a community-driven and highly engaged process and the result articulated shared community principles, vision, and priorities for the resort. The stated

vision was “Whistler will be the premier mountain resort community – as we move towards sustainability: (RMOW, 2006: 21), and its five community priorities are the following:

- 1) *Enriching community life*
- 2) *Enhancing the resort experience*
- 3) *Protecting the environment*
- 4) *Ensuring economic viability*
- 5) *Partnering for success*
(RMOW, 2006).

To achieve Whistler’s vision, the plan laid out 16 strategies, which included economic, built environment, arts and culture, health and society and partnerships, resident affordability and housing.,

RMOW 2016 Corporate Plan

The RMOW corporate plan reflects the current Council’s priorities and states a strategic plan for delivering municipal services programs and infrastructure to the community for 2016-2020. The Council’s priorities include the accommodation mix for visitors and residents, maintaining focus on visitor and resort growth and partnerships within the resort, region and beyond (RMOW, 2016: 1). The corporate plan articulates the following corporate goals for 2018:

1. *A vibrant local economy and resort community experience is effectively reinforced by organization activities*
2. *Policies, programs and services are reliably delivered with exceptional customer service*
3. *The local government maintains a high level of community trust and engagement*
4. *Municipal decision-making supports the effective stewardship of natural assets and ecological function*
5. *Corporate policies and operations ensure continuous excellence in infrastructure, facility and program management*
6. *Corporate financial health is maintained, accountable and transparent*
(RMOW, 2016: 35)

Whistler Blackcomb (WB)

WB is a major attraction supplier for Whistler visitors and contributes significantly to the resort's overall experience portfolio. It manages operations on the resort's two main mountain attractions (Whistler and Blackcomb) including over 200 ski runs spread over 8000 acres of developed terrain (WBH, 2015b).

WB operations also include a range of ancillary businesses, which account for approximately 50% of company revenues (WBH, 2015b). In 2015, WB revenues totalled \$262 million. This was generated by a combination of revenues from lift operations (49%), retail and rental (21%), food and beverage (11%), snow and bike school (11%), and other resort operations (8%). In its 2015 annual report, WB identified the retail sector as an opportunity for future corporate growth and development. As part of its retail and rental business, WB owns and operates 18 retail outlets in Whistler (WBH, 2015b). Included in its retail portfolio are recently acquired local businesses Affinity Sports and Summit Sports (WBH, 2015b).

WB is led by its President and Chief Executive Officer; Vice President and Chief Financial Officer; Vice President and Marketing and Sales Director; and is governed by an eight-member board of directors. The mountains were originally two separate entities that were brought together when Intrawest purchased Whistler Mountain in 1997 (WBH, 2015b). In 2016, Vail Resorts acquired Whistler Blackcomb Holdings Inc. and has a 75% interest in the company, in partnership with Nippon Cable (25% non-controlling interest) (Vail Resorts, 2016).

WB collaborates with local stakeholders to help provide the marketing resources needed to promote Whistler as a resort destination. Its partners in this respect include TW, WCC, RMOW, and major branded hotels (WBH, 2015). WB has two representatives appointed to the TW board of directors, and also has long-standing partnerships with the WCC and RMOW. Its marketing efforts include hosting world-class events such as Crankworx mountain bike festival, and World Ski and Snowboard Festival. In recent years, WB invested in infrastructure and development projects, which include \$18 million in new lifts, \$6 million upgrades to its gondola (WBH, 2015b). Most recently, WB announced the

Renaissance Project, which if completed would include \$345 million of new attractions and infrastructure (announced in 2016).

Tourism Whistler (TW)

TW is Whistler's destination marketing organization. It was founded in 1979 based on a recommendation of the BC government (TW, 2015). TW is a not-for-profit organization with the mandate to develop coordinated strategies for marketing and sales that promote and drive the number of accommodation room nights in Whistler (TW, 2015). The majority of TW's operating funds are derived from membership fees collected from its over 7000 members. Membership is mandatory for all owners, operators and managers of commercial properties or businesses on resort lands in Whistler (TW, 2015). It includes hotels, restaurants, activity providers and retailers.

TW is led by a 12-member board of directors comprised of five elected owners of properties zoned for lodging, one elected owners or tenant of commercially zoned property (including retail tenants); as well as additional appointed positions from WB(2), the RMOW (2) and TW (2) (TW, 2015). In TW's annual report in 2015, the organization stated the direction for the next couple of years,

OVERALL STRATEGIC DIRECTION 2016-2017

- *Grow our Funding*
- *Grow our Partnerships,*
- *Remove Barriers to Travel*
- *Grow Destination Markets*
- *Grow new segments*
- *Grow Large Groups*
- *Leverage Events*
- *Deliver Innovative & Effective Marketing Campaigns*
(TW, 2015: 6)

In 2015, TW spent \$8.9 million on marketing and sales activities which include research, advertising, promotions, social media, in addition to coordinating events, developing key

markets, conference sales, and managing the Whistler Golf Club and visitor services in Whistler.

Whistler Chamber of Commerce (WCC)

The WCC was established in 1966 as a non-partisan and non-sectarian organization to promote and improve business, commerce, and trade as well as social and economic welfare within its operating area. Its membership includes over 50% of the businesses in Whistler (e.g. ~115 shopping and specialty retail establishments listed in their business directory (WCC, 2016a). WCC fulfills its mandate and strategic direction through hosting regular events and training sessions, coordinating a business-mentoring program, and promoting members. WCC regularly uses strategic partnerships and alliances and co-operates with governments, other chambers of commerce and boards of trade, as well as other businesses, organizations, and individuals to fulfill its mandate. Its official resort partners are RMOW, WB and TW (Whistlerchamber.com/about-whistler-chamber/resort-partners/).

The WCC is led by a board of directors of eleven elected members including a chair, vice chair, secretary-treasurer and eight (or more) additional directors. In January 2012, the board of directors laid out the following four areas of strategic focus for 2012-2016:

1. *Relevance and value to business*
2. *Financial viability*
3. *Advocate for business*
4. *Valued and respected partner*

(whistlerchamber.com/about-whistler-chamber/strategic-direction/).

The strategic areas aim to enhance WCC effectiveness at fostering innovation and diversity in Whistler's business community.

Economic Partnership Initiative Committee (EPIC)

In 2012, the RMOW created the Economic Partnership Initiative (EPI) Committee (EPIC), which included representatives from RMOW, WCC, WB, TW, the Hotel Association of Whistler and a community member at large. The committee mandate was

to develop a strategy to improve economic prosperity in Whistler. The committee made recommendations for diversifying Whistler's economy, and designated guidelines for evaluating potential investments employing Resort Municipality Initiative (RMI) funds.

In October 2013, the EPIC released its Summary Report of Key Findings, which included thirteen economic strategies in five focus areas, as well as, over 50 recommended actions over the immediate, short and long-term (EPIC, 2013). The focus of the critical areas of attention were the following:

- 1) Support product re-investment & development,
- 2) Diversify resort products,
- 3) Grow markets & segments,
- 4) Protect and strengthen the core winter tourism product and
- 5) Optimize the strategic alignment of resort partners and stakeholders.

The EPI recommendations encouraged several initiatives promoting growth and local reinvestment, including an initiative to improve Whistler Village's shopping, service and eating precincts (Atkinson, 2013b). It also recommended a retail mix evaluation and benchmarking assessment as one of the four actions related to supporting product reinvestment and development (EPIC, 2013). Many of the EPI initiatives, some of which are funded through the RMI, aim to improve the retail environment and visitor experience in destination.

Whistler Association of Retailers and Merchants (WARM)

The Whistler Association of Retailers and Merchants (WARM) is a volunteer-run organization that was created in 2014 by local retailers and merchants. On its Facebook page, WARM states the following mission: "WARM is committed to increasing business for our members and ensuring successful guest experiences. We champion the success of our merchants by providing information, representation and opportunities for members to connect and prosper" (www.facebook.com/WARMWhistler). The Association has a board of directors comprised of local business owners, managers, and influential individuals in Whistler. Any business owners and operators in Whistler who are not represented by other business associations (i.e. Hotel Association, Food, and Beverage) are eligible for membership with WARM.

WARM is currently a new Association and its role in Whistler's retail system is not well defined. The Association is actively engaging with its members. WARM communicates on social media (e.g. Facebook and LinkedIn page) and held publicly advertised meetings for its members in October, 2016, April 2016, and September, 2015. TW also reports meeting with WARM on a monthly basis to discuss sector-specific issues (TW, 2015).

4.3. Retail System Characteristics and Conditions

The following section describes characteristics of Whistler's retail system that the respondents perceived as influential in shaping the sector's performance. The section describes retail sector characteristics grouped into common themes: 1) challenges for small and independent businesses, 2) retail sector diversity, 3) resort marketing strategies, 4) external factors (disturbances), and 5) opportunities for action.

4.3.1. Challenges for small and independent businesses

Many retailers are concerned that the current retail environment creates significant challenges for small and independent businesses; conditions of particular concern include the lack of affordable retail space, local power imbalances, labour shortages, limitations with the village layout, and local business regulation. Local stakeholders were concerned that these conditions may influence the type of businesses that can enter and compete in the retail sector, specifically limiting the competitiveness of independent and small businesses.

Commercial space availability

Business owners perceive a lack of affordable commercial space available in areas with high levels of pedestrian traffic and are concerned that the costs for rental space influences the type of businesses that can enter the market. Two business owners with stores in Whistler Village explained that the retail sector has very little business rotation in areas with high pedestrian traffic. They stated that affordable space is only available on the village outskirts however, those locations have low levels of pedestrian traffic and high

rates of business failure. In interview #2, a business owner used the recent closure of 7-Eleven in Whistler Village as a prime example of the lack of appropriate commercial space in Whistler. 7-Eleven is the world's largest convenience store chain, operating internationally with approximately 60,000 stores worldwide, of which 10,800 are located in North America (7-Eleven, 2016). The owner wondered what type of business can be successful in a space if even 7-Eleven concludes it is untenable.

Retailers suggested opportunities to improve the affordability of retail space. Suggestions included the RMOW taking over expiring commercial leases to increase the amount of control over commercial tenants; and implement policies that encourage the development of local or independent businesses. Potential policies included creating areas or zones in the Village dedicated to locally owned or independent businesses; limiting the number of chain or big-box stores; or giving tax breaks to landlords with local tenants. Another suggestion was creating a co-op that would provide commercial spaces shared by local artists to split the costs associated with leasing retail property, however, the suggestion was not targeted at any specific organization.

One business owner (interview #2) recognized the *WCC Commercial Lease Report* (2016a) as an existing tool to help businesses overcome challenges with the commercial rental market. The WCC created the report using statistics for commercial lease rates that commercial tenants shared voluntarily. The report provides businesses with a better understanding of the commercial lease rates and operating costs in different areas in Whistler. The report is useful for tenants negotiating lease rates; it provides the range of rates in 2016, and provides an overview of additional considerations and factors for determining lease rates. Local business owners can enter negotiations with a better understanding of current conditions and may be in a position to negotiate. Without information on the market averages, it would be difficult to know if the rate property owners are offering are consistent with market conditions.

Power dynamics

In addition to the limited availability of commercial space, local business owners feel a significant power imbalance in Whistler's retail environment. Small independent businesses find competing with WB challenging. They perceive WB to be a major

stakeholder in the resort with a significant amount of power in negotiations with property owners and suppliers. Several retailers perceived this situation as a competitive challenge to options available to other resort stakeholders. An owner of a sports equipment and apparel store (web survey respondent #1356) stated that, *“power is leveraged in relation to negotiating conditions in leases and partnerships like First Right of Refusal on expiring leases [...] as well as brand exclusivity [...]. This will continue to push out the smaller operators.”* If WB has a right to first refusal with many property owners in the Village, this represents a significant competitive advantage over other retailers, as WB has the first choice of many of the expiring leases. Another business owner (web survey respondent #1453) stated that, *“We need to put an end to the monopoly that Whistler Blackcomb is developing. If they haven't bought your business, they are taking dead aim at it and affecting commercial lease rates.”*

Physical environment

Whistler retailers identified physical aspects of the retail environment (internal and external to their stores) as detrimental to their business performance. The main challenges included access and visibility of their store and their location's level of pedestrian traffic. Several businesses complained about significant obstructions that reduce the visibility of their storefront or prevent visitors from easily accessing the store directly. *“[the] biggest challenge in terms of the Village layout is the large planter barriers between [the] Village stroll and [the] storefront.”* (Web Survey Respondent 3567). One business owner, with a store located in the Westin in Whistler Village, indicated that the creation of Olympic Plaza redirected pedestrian traffic and resulted in less traffic past their storefront. To address the limits to physical renovations, one business owner suggested working with the prominent local property owners to renovate their stores and enhance store attractiveness.

Business regulation

Business owners expressed frustration with local bylaws. In particular, one business owner indicated that bylaws for signage and sandwich boards were not well enforced; and that abiding by some of the bylaws can be a complicated and lengthy process, often disproportionate to the potential consequences of the type of activity the bylaw regulates. For example, landscaping is a physical alteration that requires an

application that takes months to process. A key informant explained that one landowner in Whistler Village made physical improvements to their property for years; however, they recently stopped because they were no longer willing to go through the process to make physical alterations to the property.

4.3.2. Retail sector diversity and overall shopping atmosphere

Local business owners and operators perceive a trend towards fewer unique retail offerings and less diversity within the DRS. Local business owners expressed concerns about WB purchasing local independent businesses and its potential impact on diversity and the overall atmosphere in the shopping environment. For example, one retailer (web survey respondent #2568) stated, “*Tourists need and want to see a mix of shops that are unique and not cookie cutter or the same as their local mall.*” Another business owner (interview #1) cautioned Whistler to be careful about businesses owned by one conglomerate, stating, “*Whistler Blackcomb owns all the ski stores and bike stores in the village. Even though they have different names, they all have the same flavour*”. The same owner elaborated that although WB states that the stores they acquire will maintain the same management, however, it has specific service standards and overtime, newly acquired stores will become the same as WB’s other retail stores in the village. The business owner later referred to WB’s acquisition of Summit Sports Limited, which had been operating since 1987 and offered sports equipment rentals in Whistler Village, stating that “*WB recently bought one of my favourite stores and I am pretty sad about that [...] but of course, you can’t blame them for selling when WB is offering to pay that much*”. Apart from recent WB acquisitions, another business owner expressed concerns with the overall mix of the resort.

I feel that a healthy mix of businesses is good for the resort and presently we are not on that road. I feel that many of the major players do a very good job and drive significant experiential value for the guest but at some point (which I feel we are approaching) the feel and experience becomes homogenized. (Web survey respondent 1356).

Business owners suggested Whistler enhance store variety and diversify its merchandise offering (e.g. casual clothing, denim and luxury brands), support more independent and locally owned stores, increase the number of unique stores with regionally distinct

products (e.g. featuring First Nations art or local artists). Suggested interventions to achieve an ideal mix included influencing property owner behaviour and to develop a resort-wide vision or strategy for the retail sector that is supported by local property owners and retailers.

4.3.3. Resort marketing strategies

Festivals and events in Whistler are attracting additional guests and contributing to the overall vibrancy in the resort; however, the effect of these extra guests is perceived differently depending on the specific retailer. Many retailers are concerned that festivals and events can attract the wrong type of visitors, create added demands on visitors' limited time in Whistler and introduce event vendors that compete with local retailers and capture market share. Events are not all equal in the benefit they bring into the community. One business owner states, "*[it is] difficult to get the message out with excessive events and festivals in Whistler in summer*" (online web survey respondent 1659). Retailers questioned the current event strategy; including the target markets and their lifestyle and demographic characteristics. Retailers desire a strategic approach to selecting events, ensuring events will result in the maximum level of benefits for the overall resort and a variety of businesses.

The only [constraints] that I have [,] are dealing with an increasingly lower end visitor demographic in the summer. This is due to the excessive focus by RMOW on [festivals and events] and cultural tourism rather than a coherent, logical strategy to attract more high-end destination tourists. (Web survey respondent 1659)

Retailers explained that festivals and events usually include external retailers and food and beverage establishments. The owners of a sports apparel and equipment store (Web survey respondent #1356) stated "*[at] the Retail 'Expo' [and] during Iron Man and other events - one operator is selling out of kiosks on municipal land, this is not incremental and is picking off potential sales from existing operators who pay rent and fees year round.*" In this case, events attract additional visitors; however, retailers question whether the volume of visitors drawn to Whistler justifies the additional economic leakage and whether the events generate significant additional revenues in the resort. In addition, retailers expressed concern that specific types of events benefit a small number of retailers (and

other businesses) and questioned whether the event calendar throughout the year benefits a range of retailers in town, or if there are certain subsectors left out.

I don't want to [halt] festivals with the village, because it does add to the atmosphere, but there is just so much to do, so many activities, it is a lot to compete with.....During the festivals[,] there is a decline in visitation [at the gallery] as well. During wanderlust, nobody is in the gallery at all. They are all busy with workshops and other activities. (Interview # 3)

Many retail owners and operators criticised the use of RMI funds for FEA, as these activities increase room nights, however, for many events, the benefits do not spread to the retail sector. In Interview 4, the key informant discussed challenges with focusing on increasing room nights above all else and stressed the importance of maintaining the vision of the type of resort we want Whistler to be. For example, discounting the accommodation rooms will increase occupancy rates, however, the resort will be filled with tourists with a lower budget, or more price conscious who may not spend as much once in the resort. The discount may also influence the overall image and brand of the resort.

4.3.4. External forces

Economic conditions: Exchange rates

Local business owners recognized that currency exchange rates are a key consideration for retail sector performance, however, the impact that currency rates have on individual retailers varies. Individual retailers' level of exposure to fluctuations in currency exchange rates differs and depends on their customer markets. The majority of business owners recognized the importance of exchange rates in determining retail sector performance.

One business owner was not as concerned with currency rates as other business challenges like labour shortages or high vacancy rates affecting retail vibrancy, explaining that currency rates affect their diverse customer markets differently, and if the US market is suffering because of a high Canadian dollar, the regional market or the European market may be doing better. When one customer market suffers, there is usually another market to make up for it.

Customer preferences

A few key trends mentioned throughout the interviews included the increase in older visitors and sightseers, and multigenerational travellers; the shoulder season getting smaller; and increases in the popularity of mountain biking.

Whistler's business owners stressed the seasonal changes in customer spending habits. Whistler is a seasonal resort, and although recently visitor numbers are higher during the shoulder-seasons, tourist motivations and activities shift seasonally. They claimed that visitor demographics in winter and summer are completely different. One sport and apparel business owner described winter customers as mainly skiers and snowboarders, while summer customers were a more diverse cohort, engaged in a wider variety of activities, with a higher variety of needs. The sports retailer's average sales per person in summer were significantly lower than in winter, and the business relies on a large volume of sales during summer.

Retail owners and operators indicated that changing consumer preferences remained a vital challenge. Business owners stated that, "*Products are evolving at a fast rate, we have to keep current*" (Web survey respondent 1356); and they are, "*Just trying to stay abreast of consumer needs*", or, "*constantly changing to keep up with trends and market changes [product offering]*". Business owners also stressed the importance of customer service for retail performance, and customer experience, satisfaction, and expenditures.

To respond to changing customer preference, at the individual level, retailers identified opportunities for marketing, networking and enhancing the use of technology and social media. Many business owners and operators were focusing on technology and social media as a medium to enhance the customer experience and generate stronger retail performance. Suggested opportunities also included leveraging the customer appeal of local and independent businesses through marketing and improving collaboration within the resort. It was also noted that retailers can promote themselves as independent and local businesses to differentiate from chains stores (Interview 3). Respondents also encouraged other local businesses to develop new partnerships and referral systems to keep consumer spending in local businesses.

Chapter 5. Whistler's Retail System Vulnerability

This Chapter discusses the study findings (presented in Chapter 4) in the context of retail system vulnerability with reference to the literature (presented in Chapter 2) and relevant community documents. The factors that business owners and operators identified as influential to the retail system were analyzed to identify components that may relate to system vulnerability, exposure and sensitivity to disturbances. The Destination Retail Resilience Framework (DRRF) provided the framework for analyzing the destination retail system's (DRS) defining features and identifying potential linkages between system components and overall vulnerability and resilience. Influential elements were organized according to the concepts in the DRRF. This Chapter discusses components of system vulnerability divided into two sub-sections, the first discussing factors that influence exposure and the second discussing elements that influence sensitivity.

5.1. System Vulnerability, Exposure, and Sensitivity

Vulnerability is the degree to which a system is likely to experience harm from exposure to a hazard (Turner et al., 2003: 8074). For retail systems, hazards in the form of shocks and stressors are inevitable; however, the likelihood of experiencing harm varies depending on the system's exposure and sensitivity to disturbances (Calgaro et al., 2014). Figure 5.1 depicts the relationship between system vulnerability and its exposure and sensitivity to disturbances, as conceptualized by the DRRF.

The likelihood that Whistler's retail system will experience damage from disturbances depends on its exposure and sensitivity to the specific shocks and stressors. As an alpine resort destination, Whistler experiences a wide range of shocks and stressors, including changing economic conditions, unfavourable weather conditions, shifts in travel behaviour, natural disasters and competition with other mountain resorts (Whistler Blackcomb Holdings Inc. [WBH], 2015b). Whistler's exposure and sensitivity to shocks and stressors depends on existing conditions. Its exposure is contingent on Whistler's current position relative to threats, while its sensitivity depends on whether the retail system has the resources required to respond.

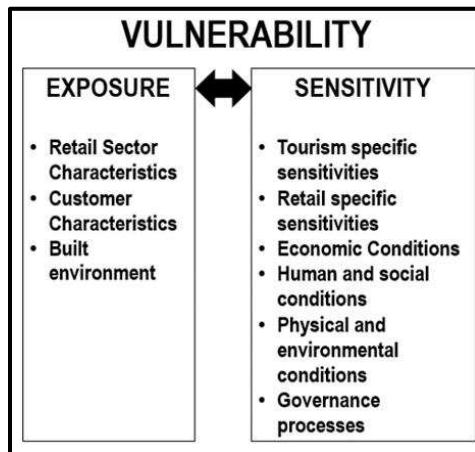


Figure 5.1. Destination Retail Resilience Framework (DRRF) component vulnerability and its subcomponents exposure and sensitivity

5.1.1. Exposure

Exposure is the degree to which a system experiences disturbances (Adger, 2006; Polsky et al., 2007). Whether a system is exposed to a shock or stressor depends on its position relative to the specific disturbance, which encompasses the system’s unique characteristics and the type and nature of the disturbance (Polsky et al., 2007). Complex adaptive systems are continually subject to diverse types of change that can occur simultaneously, and consequently, systems can be exposed to multiple disturbances simultaneously.

In the context of a retail system, exposure to disturbances depends on: 1) the structure and nature of the retail sector, 2) characteristics of its customers, and 3) the physical environment. The following section discusses the factors that influence exposure to disturbances in Whistler’s retail system. Table 5.1 identifies system characteristics that may influence Whistler’s retail system exposure to disturbances. While high exposure to disturbances influences vulnerability, it does not necessarily equate to high vulnerability, as the system may have the resources required to respond to the disturbance (i.e. low sensitivity). The factors that influence Whistler’s DRS exposure and sensitivity to disturbances are often related.

Table 5.1. Summary of factors that shape Whistler’s Destination Retail System (DRS) exposure to disturbances

Condition area	Relevant condition	Findings
Retail Sector Characteristics	Structure (size, prices, merchandise type)	<ul style="list-style-type: none"> • Moderate diversity in merchandise offered with overabundance of sportswear and apparel • Mix of ownership structure (chain and independent stores) • Dominance of chain stores and Whistler Blackcomb • Decline in diversity of shopping experiences
Customer Characteristics	Demographics	<ul style="list-style-type: none"> • Combination of destination and regional visitors and residents • Destination visitors spend most • Small number of core markets: Canada, US, Australia and the UK • Seasonal differences in spending
	Purchase behaviour	<ul style="list-style-type: none"> • Customer service is critical • Decline in average daily regional visitor spending, particularly in the summer
Built Environment	Development patterns	<ul style="list-style-type: none"> • Master-planned resort • Pedestrian focused with high levels of activity along the village stroll
	Public spaces	<ul style="list-style-type: none"> • Many outdoor attractive public spaces

Retail sector characteristics

Whistler’s retail system is comprised of 158 individual retailers, each operating independently and with their own level of exposure to disturbances (RMOW, 2014). Retail system exposure is a function of the exposure of its individual retailers. Characteristics that influence exposure include the retailers’ specialization, organizational structure (type of ownership and decision-making), marketing (target customers, price, products, positioning), supply chain management, networks (associations, cooperatives), and operations (staff, service delivery) (Dolega & Celinska-Janowicz, 2015; Wrigley & Dolega, 2011). Figure 5.2 depicts potential linkages between the retail sector characteristics and system sensitivity to disturbances. The arrows depict potential linkages that were identified by local stakeholders or based on community documents and relationships documented in the literature.

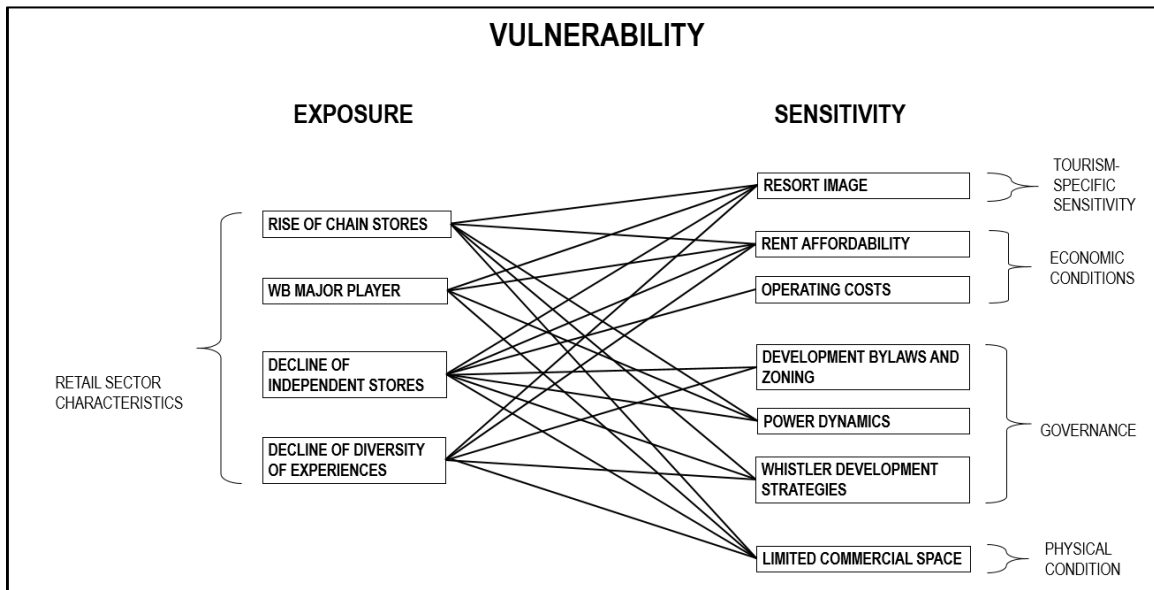


Figure 5.2. Potential linkages between Whistler DRS retail sector characteristics and factors that influence sensitivity to disturbances

Independent and small business challenges

Local business owners and operators were concerned that if local stakeholders do not intervene in some way, independent retailers will continue to struggle to compete while chain stores and WB dominate. Retailers believe that the current conditions create challenges for independent and small businesses that lack the capacity to adapt. The combination of high rents, local power dynamics and competition with chain stores is discouraging new businesses from entering the market while also threatening existing independent businesses.

Similar concerns were shared by local stakeholders in 2006, when Thomas Consultants Inc. (TCI) created the Whistler Sustainable Retail Study Background Report (2006). TCI interviewed 18 stakeholders, including Resort Management, local associations, private companies, development, property owners, and retail tenants. In 2006, stakeholders' main concerns related to the performance of the retail sector included rent affordability, availability of retail space, operations costs, and retail sector evolution. The report stated that Whistler's market dynamics, including lease rates and demand for space, favoured national tenants (TCI., 2016) and the cost structure in Whistler caused many local unique businesses to fail (TCI., 2006).

Retail diversity and its impact on the shopping atmosphere

Visitors' shopping experience contributes to their overall resort experience, which influences their expenditures, satisfaction, and likelihood of revisiting Whistler. Several retailers were concerned that an increase of chain stores coupled with a decrease in independent retailers will be detrimental to the customer experience and have negative long-term impacts on the resort's image and performance. Several business owners expressed concerns with the current trajectory. Following WB's purchase of Summit Sports Limited in December 2014 (WBH, 2015a), local media reported community anxieties that retail in Whistler is moving to the "generic" (Taylor, 2014b). There is a general perception that if the current trajectory continues and the conditions continue to create barriers and challenges for small businesses, the number of unique independent retail outlets will continue to decrease, which will in turn have a detrimental effect on the overall retail environment and ultimately the customer experience.

In Interview #2, a business owner recounted the controversial London Drugs proposal of 2005. It proposed to rezone a commercial space and open a 17,000 square foot store in the Larco property in Whistler Village. One of the major considerations for the proposal was the potential impact a chain store would have on the character of the village. The Council unanimously opposed the rezoning in 2007, supported by recommendations in TCI's 2006-2007 *Sustainable Retail Study*. It highlighted the importance of maintaining character and atmosphere in Whistler, and the preference for local independent retailers. In the context of the 2008 economic crisis and lower visitor numbers, in 2010, Shoppers Drug Mart received building permits to open a 5000 square foot store in the same Larco building (Taylor, 2010). Although the store is significantly smaller than the proposed London Drugs, Shoppers Drug Mart is a chain store and one business owner (Interview #2) views the store opening as indicative of the direction the village may go if local stakeholders do not intervene.

Whistler's local retailers believe that customers value unique experiences that are consistent with Whistler's brand and resort image. This belief is consistent with the findings from a 2007 consumer survey of Whistler visitors and residents. TCI (2007) found that for all customer types (day and overnight visitors, full-time and seasonal residents), the preferred type of stores were local independent unique stores, while the least preferred

store type were brand name chain stores. While the TCI study was conducted over a decade ago, its findings suggest that the entrance of chain stores may have a negative impact on visitor experience.

Retailer concerns with the character of the retail sector are not new. The *Whistler Sustainable Retail Study* (TCI, 2007) reported the main experience related concerns for local stakeholders included the village character, merchandise mix, and the mix of national versus local stores (TCI, 2007). At the time, the estimated mix in Whistler was 70% local to 30% national, however that estimate includes food, beverage and entertainment businesses. TCI (2006) stated that Whistler's mix was good related to similar resorts, however, local stakeholders found an oversupply or duplication of some merchandise types, and that the diversity of the retail mix was limited.

The mix of national chains and independent stores is a factor that influences the resort image and customer experience, however a diversity of ownership types can also reduce the sector's vulnerability to certain types of shocks. The presence of international retail chains does not always directly translate into a reduction in resilience (Dolega & Celinska-Janowicz, 2015). Introducing chain stores can diversify the store ownership structures within the retail sector (Wrigley & Dolega, 2011), and chain stores may be more resilient to some types of disturbances than other types of retail stores. Local real estate agent, Drew Meredith agrees and stated "national chains are a fact of life and that will continue to occur, [...] they have the structure and the resources to withstand the deep seasonality that Whistler delivers," (Ogilvie, 2009). Dolega and Celinska-Janowicz (2015) also state that retail sectors that have strong links to global retail markets have a higher vulnerability to external shocks and disturbances. Meaning international chains may be more vulnerable to some types of disturbances. There is currently a gap in understanding, and it is not clear what impact chain stores will have on Whistler's vulnerability and resilience. From a social-ecological systems (SES) perspective, duplication or diversity contributes to the resilience of a system through functional reinforcement (Allison & Hobbs, 2004). In the context of economic systems, Simmie & Martin (2010), state that both related and unrelated variety, in addition to novelty and selection, are integral components of resilient systems.

Although multiple resort plans and strategies recognize the role that unique stores have in the resort's performance and image, they fail to provide tools or mechanisms to support these types of store. The *Sustainable Retail Study Recommendations* (TCI, 2007) final report recommended that Whistler prioritize independent stores (2007) and develop a strategy that focuses on creating distinct merchandise, character and experiential precincts, which would provide unique offering with more variety through Whistler. The report recommended Whistler have a high preference for unique character and local independent stores. In the EPIC's *Report Update* (2016), the committee recommended supporting unique businesses in the retail mix. Neither of these reports provide recommendations for implementing changes to provide additional support to unique and independent stores. A considerable challenge with altering the resort's retail mix is the necessity for individual retailers and property owners to subscribe to the vision and coordinate their actions.

Customer characteristics

Retail system exposure to disturbances links to the characteristics of their customers. Local stakeholders raised several themes about customer characteristics (presented in Chapter 4) that may influence system vulnerability. Significant themes include the importance of a mix of customer types, the importance of customer service, and trends towards more shoulder-season tourists and visitors motivated by Whistler's events and festivals. Depending on the features of the retail system's customers, they may increase or decrease exposure to particular types of disturbances, and link to other factors that influence system sensitivity (see Figure 5.3).

The retail sector currently relies on a mix of resident and visitor markets. Whistler's visitors originate from multiple regions; however, the vast majority are from the USA or Canada. In winter, USA and Canada comprise 68% of all visitors, and 76% in summer (TW, 2015). In winter, Whistler relies on the regional market for 41% of its visitors, while in summer Whistler relies more heavily on the regional market (54%). The USA is the most significant international market (15% in winter, 11% in summer) followed by Europe (13% winter, 9% summer).

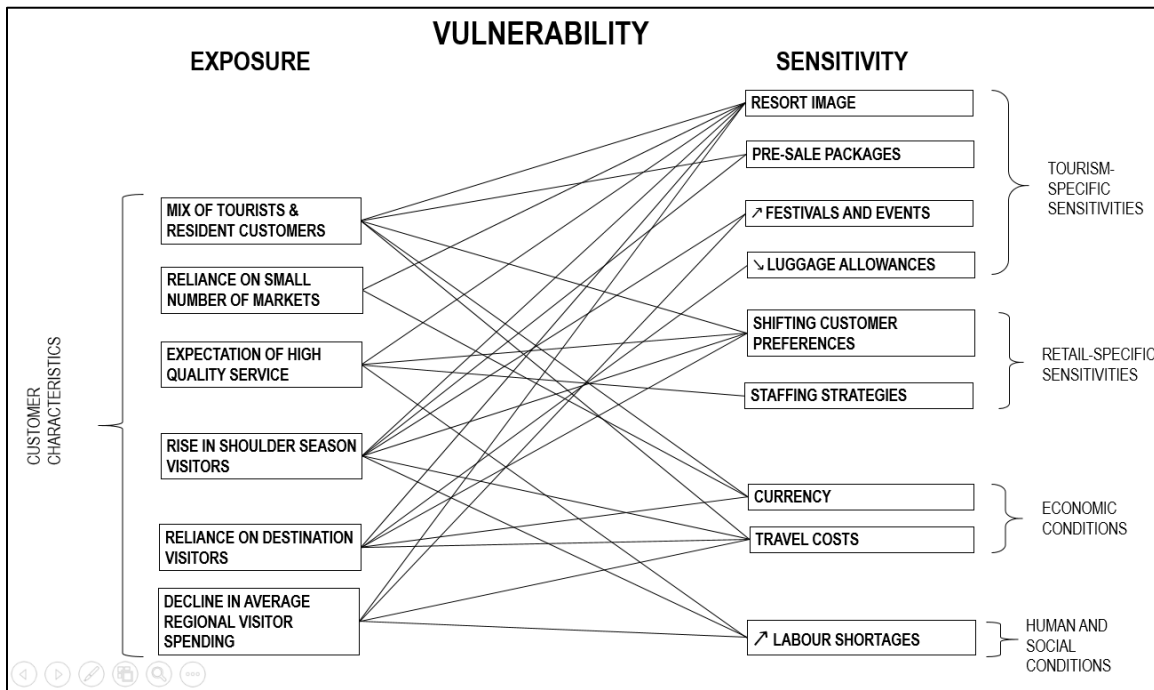


Figure 5.3. Potential linkages between Whistler DRS customer characteristics and factors influencing sensitivity to disturbances

There are distinct differences between locals and tourists and destination visitors are responsible for the majority of retail expenditures in the destination retail system (DRS). It is well documented that tourist purchasing decisions depend on visitor characteristics including income, age, gender, country of origin (Moutinho, 1987), travel purpose and style (Lehto, Cai, O’Leary, & Huan, 2004), as well as individual personality and cultural influences (Atilgan, Akinci, & Aksoy, 2003). Within the tourism literature, studies find that tourists view shopping as leisure time and their behaviour differs from normal life (Oh et al., 2004). In comparison with locals, tourists may have specific trip-related shopping motives (Lloyd et al., 2011; Turner & Reisinger, 2001); seek unique products (Reisinger & Turner, 2002; Spencer, Kim & Holecek, 1999 cited in Littrell et al., 2004); evaluate the quality and value of goods and services differently (Lloyd et al., 2011); and have different preferred items (Yüksel & Yüksel, 2007).

Satisfaction with the selection, prices and customer service in retail stores varies depending on customer type. In 2006, TCI found that residents were less satisfied than visitors in all categories, including the selection, customer service, prices, convenience of parking and atmosphere. Of visitors, overnight visitors ranked higher than day visitors.

Although these statistics are out of date, they demonstrate a significant difference between Whistler's customer markets.

The influence of resort-wide marketing strategies

Whistler's retail customers are highly connected to resort-wide marketing strategies that target specific market segments and visitors. Such strategies will influence the type of visitors in the resort, which will in turn influence customer preferences and purchasing behaviour. Tourism Whistler (TW) is Whistler's destination marketing organization and develops strategies to target specific market segments. In 2014, TW launched marketing campaigns nationally for Canada, USA, UK and Australia, and regionally for markets in Washington State, California, and Texas (TW, 2014). In its most recent publicly available *2015 Annual Report*, TW reported, "robust growth from regional and destination markets, as a result of increasing leisure visitors, event participants, and meetings & incentive delegates" (p.5). Its strategic direction for 2016-2017 includes increasing visitation from large groups, new segments, and destination markets, in addition to further leveraging Whistler's events (TW, 2015). Tourism Whistler also works in partnership with Tourism Vancouver, Destination BC, and Destination Canada to invest in emerging markets: Central and South America and the Asia Pacific region, however marketing investments will take years to take full effect (EPIC, 2016).

Although TW has focused on diversifying Whistler's visitor markets, in the winter its top three markets in terms of the number of visitor days are the regional market (41%), the US (15%), and Europe (15%). In the summer, Whistler relies more heavily on its regional market represents (54%), followed by an equal number of visitors from the US and rest of Canada (11%). Tourists are sensitive to changes in currency exchange rates (Henderson, Chee, Mun, & Lee, 2011), and a high reliance on destination visitors from a small number of regions can increase exposure to changes in currency exchange rates. Whistler is highly exposed to changes in currency exchange rates; 68% of winter visitors are from US and Canada, and 78% of summer visitors (TW, 2015).

The importance of customer service for positive customer experiences

In today's retail environment, retailers are required to move beyond providing goods and services and focus on creating a unique and memorable customer

experiences. Creative experiences and the role in influencing memories, satisfaction and behavioural intentions (Ali, Ryu & Hussain, 2016). Through personalized interactions, customers can create their own consumption experiences (Prahalad and Ramaswamy, 2003).

Within the literature, service quality is one component of the customers' perceived value, which is an essential component of the customer experience (Baker et al. 2002). Tourists are unfamiliar with the local retail environment and have an increased perception of risk of the outcomes of purchases (Lloyd et al., 2011). Service employees attitude and emotional responses influence the perception of service quality (Bittner, 1990 cited in Lloyd et al., 2011), and the interactions between service employees and customers can put customers at ease and reduce the perception risks associated with purchasing products (Lloyd et al., 2011). High-quality customer service positively affects customer experience and satisfaction, which in turn influences loyalty (Wu, 2007), and repurchase intention (Ooi, 2005).

High-quality customer service requires quality staff, training, and adequate staffing levels. Without proper labour availability, businesses struggle to hire the staff required for the exceptional customer service that Whistler aspires to deliver. Whistler recognizes the importance of customer service and recently the WCC published a report on the importance of training to maintain a high level of customer service to make the connection between employee knowledge and customer needs.

Whistler's retail system has a high degree of exposure to changes in the labour market. Retailers are struggling to respond to changes to Canadian temporary foreign worker (TFW) programs in 2014 and 2015. The Government of Canada implemented several changes that negatively influenced Whistler's DRS labour supply, including limits on the number of TFWs employed per company, increased application fees, and restrictions in regions with unemployment rates greater than 6%. The Government of Canada also suspended all processing of requests for a specific program used to extend the stay of individuals in the working holiday program (the British Columbia provincial nomination program) (Burgmann, 2014; Employment and Social Development Canada, 2016.).The impacts of these changes on Whistler's labour conditions were substantial. In

2015, WCC conducted a labour market survey of 73 business owners, which found that 40.5% of respondents had between 4 and 20 positions unfilled. 81% of respondents reported employing foreign workers with working holidays visas, and 26% reported employing Temporary Foreign Workers. Business owners also reported a loss in sales of \$5,000 to \$10,000 as a result of the labour shortages. In response, WCC is advocating for changes to temporary working programs to improve the labour supply and has published reports sharing best practices (e.g. guide to recruitment and retention (WCC, 2016d). Business owners report increasing wages to attract candidates (WCCC, 2016d).

Shoulder-season visitors

Local stakeholders perceive a trend towards shorter shoulder seasons. Although the trend is a function of many factors, retailers recognized the potential role of the resort's emphasis on festivals and events. In recent years, Whistler focused on diversifying the resort product (EPIC, 2013) and increasing visitor numbers, using its FEA program. In 2015, Whistler hosted more than 100 events (TW, 2015), and for 2016-2017, TW continues to focus on leveraging Whistler's events to increase the number of room nights outside the event dates (TW, 2015). An industry that relies on peak seasons has a high exposure to disturbances that may negatively affect conditions during that period. Whistler is reducing its exposure by reducing variability in visitor numbers. While, TW does not publish statistics for the number of visitors during shoulder-seasons, the number of visitors in both summer and winter has increased steadily in recent years.

Built environment

The built environment is shaped by the history of development in Whistler, the current municipal zoning and plans for development, as well as the actions of a vast number of organizations, firms, individual property owners and tenants. Whistler is a purpose-built resort that was master-planned to be mixed use and pedestrian focused. The design and implementation of the master plan influenced the current location of commercial spaces, squares and plazas. The condition and configuration of the built environment are interconnected with additional local conditions that influence system vulnerability. Figure 5.4 depicts the potential linkages between the built environment and local governance processes, physical conditions and tourism-specific factors.

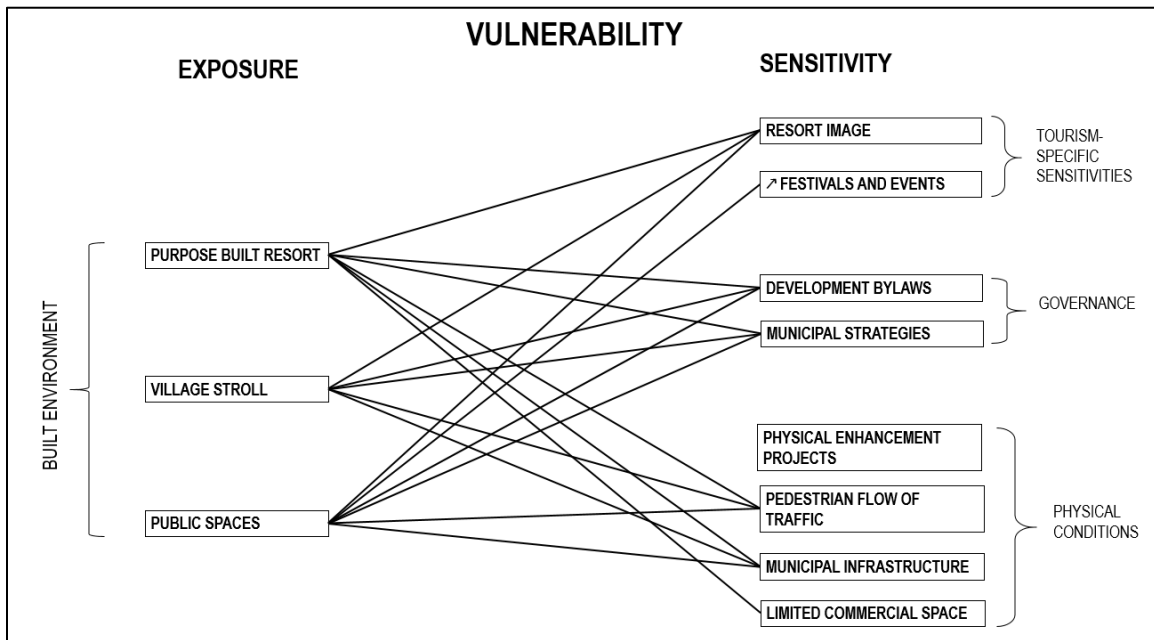


Figure 5.4. Potential linkages between Whistler DRS characteristics of the built environment and factors influencing sensitivity to disturbances

In Whistler, the location of its plazas, public spaces and commercial districts influence the flow of pedestrian traffic, and consequently the atmosphere and ambiance in the village. The resort’s master plan and subsequent development were designed to direct pedestrian traffic and encourages activity and vibrancy within specific places. Squares traditionally act as a focal point for socializing, transportation, commerce and consumption (Madanipour, 2003) and are spaces for entertainment and shopping and serve an important function in urban design (Moughtin and Merten, 2003). Whistler has several areas that encourage visitors to congregate, including Skier's Plaza, Town Plaza, Village Square and Mountain Square (see Figure 4.3). As a legacy of hosting the 2010 Winter Olympics, Whistler created an additional space, the Olympic Plaza as an outdoor community space and performance facility that connects to the village stroll. It includes 3,100 square metres of outdoor space with seating, and incorporates a playground, performance pavilion, public art and views of the mountain (Resort Municipality of Whistler [RMOW], 2011b). The Plaza was also intended to increase the time individuals spend in the area and enhance the visibility of the retail outlets in the immediate vicinity.

The effect of the built environment varies depending on the individual retailer. One business owner reflected that the addition of the Olympic Plaza had influenced pedestrian

traffic in front of their store by diverting traffic away from their storefront. The vast majority of retailers in Whistler rely on their physical store to thrive. Individual retailers have a high level of exposure to changes to the built environment. The Olympic Plaza influenced the flow of pedestrian traffic, however, its impact on the retail system must be considered from the perspective of the entire resort. The negative influence experienced by one retailer is mitigated by the positive impact on resort vibrancy, and the increase in pedestrian traffic in the vicinity of the Plaza.

Municipal influence on the built environment

The municipality is highly influential in shaping the built environment in the retail system. In particular, it influences the development and spatial distribution of retail spaces through planning and regulations (Ozuduru et al., 2013). The RMOW's resort experience division has responsibilities for the planning, parks planning, and resort operations departments, which affect the quality and maintenance of the built environment (see Figure 4.4 for select departmental responsibilities). The RMOW also sets local policies (described in Section 5.1.2 Governance processes) regarding economic growth and real estate development, which in turn influence the commercial environment. The RMOW is also responsible for the maintenance of municipal properties and providing municipal infrastructure and services. In the context of this study, the delivery of these services influences the overall quality of Whistler's outdoor retail shopping environment and experience.

RMOW continues to invest in physical improvements to the village (EPIC, 2016). In the EPIC report update, the RMOW reported recent investments in a village enhancement project, and designing street enhancement guidelines. As part of the 'Whistler Village 3.0 Initiative' in 2013, the RMOW sought to enhance the visitor experience and improve pedestrian traffic through simple changes to the promenade (Atkinson, 2013b). Municipal investments in altering the built environment were to enhance the visitor experience and respond to shifting customer preferences.

Whistler's DRS exposure to disturbances depends on the retail sector characteristics, customer characteristics, and the nature of the built environment. The system exposure varies depending on the specific type of disturbance, and the DRS can

be exposed to multiple disturbances simultaneously. Shocks and stressors particularly relevant to Whistler's DRS include gradual shifts in customer preferences and behaviour, and disturbances that influence labour conditions and physical retail spaces. Retailers in Whistler's DRS identified key characteristics related to customers, the retail sector composition, and the built environment that may influence exposure to disturbances. Retailers rely on a mix of customer types, with high expectations for service quality, and declining average daily spending for summer regional visitors. Retailers perceive a low diversity of merchandise and shopping experiences, with a decline in unique stores and rise of generic chain stores. The built environment includes low quality and quantity of available retail space for new or expanding businesses. These characteristics may influence the DRS exposure to a range of shocks and stressors including changes to the existing inventory of retail space, gradual shifts in customer preferences, and shifts in staff recruitment, training, or retention, and service quality in Whistler.

5.1.2. Sensitivity

Sensitivity is the degree to which a system is affected after being exposed to shocks or stressors (Clark et al., 2000). To a large extent, it is determined by pre-existing system conditions, including those related to human, social, economic, and physical capital and governance structures (Calgaro et al., 2014). Although existing sources of capital are integral to system sensitivity, local power dynamics, social networks and the effectiveness of governance systems are particularly significant, as they influence the distribution, access and use of resources, which are necessary for the system to cope and respond to a disturbance (Turner et al., 2003). Table 5.2 identifies Whistler's circumstances influencing the destination retail system's sensitivity to disturbances.

Table 5.2. Summary of local factors that may influence Whistler’s Destination Retail System (DRS) sensitivity to disturbances.

Condition area	Relevant condition	Findings
Tourism-specific sensitivity	Resort-wide strategies	<ul style="list-style-type: none"> • Festivals and Events program • Focus on expanding the regional market segment • Focus on diversifying resort products & activities • TW focus on increasing total room nights
	Individual strategies	<ul style="list-style-type: none"> • WB investments in infrastructure (i.e. Renaissance project)
Retail-specific sensitivity	Individual retail strategies	<ul style="list-style-type: none"> • Staffing, recruitment, and retention strategies • Reliance on foreign labour
	Resort-wide strategies	<ul style="list-style-type: none"> • Retailer desire for a renewed strategy • Unimplemented Sustainable Retail Study Recommendations (2007)
Human and Social	Knowledge and skill levels	<ul style="list-style-type: none"> • Wealth of information available • Training and workshop sessions offered by Whistler Chamber of Commerce
	Labour capacity	<ul style="list-style-type: none"> • Challenge to access employees and retain them • Good level of service in Whistler • High employee turnover
	Connectedness	<ul style="list-style-type: none"> • Opportunity for more support within the local business community (i.e. Referrals) • Recent creation of WARM • Need to bring landlords into the discussion
	Cultural norms and values	<ul style="list-style-type: none"> • Whistler residents have existing lifestyle activities, difficult to compete or enter with new activities
Economic	Employment opportunities	<ul style="list-style-type: none"> • Labour supply issues • Seasonal variation
	Business stability	<ul style="list-style-type: none"> • Not enough occupancy security with landlords to invest in renovations
Physical	Access to commercial space	<ul style="list-style-type: none"> • Limits to physical space of stores
	Visibility	<ul style="list-style-type: none"> • Retailer concerns with visibility and obstructions
Governance	Power dynamics	<ul style="list-style-type: none"> • WB negotiating power with landlords and suppliers • Landlords prefer chain, anchor tenants
	Policies/Laws	<ul style="list-style-type: none"> • Whistler2020 • Economic Partnership Initiative Strategy • Retail Strategy • Difficult process to follow for some bylaws
	Tourism business networks	<ul style="list-style-type: none"> • Tourism Whistler • Whistler Chamber of Commerce • Whistler Association of Retailers and Merchants

Tourism sensitivities

Whistler's resort marketing and development strategies influence its sensitivity to tourism-specific factors, including sensitivity to seasonal visitation, shifts in global travel trends, and weather conditions. Marketing and development strategies ultimately influence the type of resort visitors, and their characteristics, which in turn influences system exposure to particular types of disturbances (see Figure 5.5).

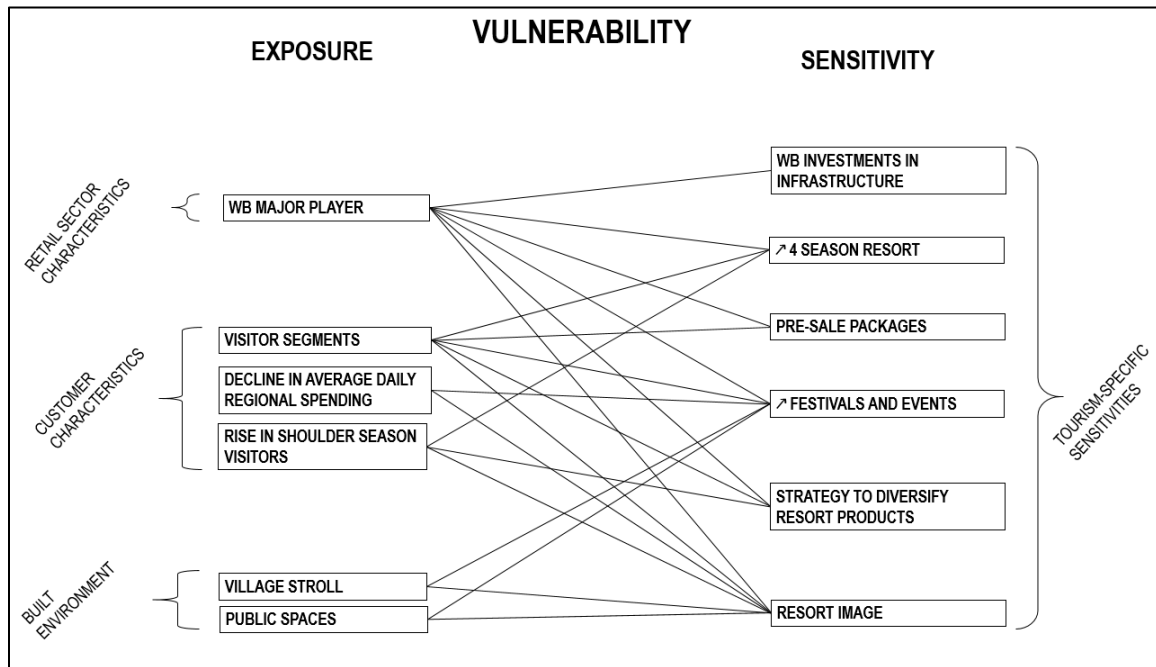


Figure 5.5. Potential linkages between Whistler DRS tourism-specific sensitivities and factors that influence exposure to disturbances

In recent years, the resort has focused on increasing the number of year-round activities available, pre-selling vacation packages and hosting several festivals and events between peak seasons, often referred to as the shoulder seasons. TW is the destination marketing organization that coordinates resort-wide marketing activities, in partnership with WCC, WB, the major branded hotels and other local stakeholders. TW also partners with regional and national tourism organizations to coordinate marketing activities, like Tourism Vancouver, Destination BC and Destination Canada (EPIC, 2016).

The 2012 EPI recommendations included strategies to grow visitor markets and segments, support reinvestment and development, diversify resort products, improve the guest experience and enhance key partnerships (EPIC, 2013). Since the committee

recommendations, local stakeholders have implemented several initiatives that support the EPI strategies.

Development strategies change the local conditions and the nature of the resort, which has feedback effects on other components in the system. Development strategies can change local conditions in a way that increases or decreases system exposure to disturbances. The RMOW is supporting the development of initiatives that diversify Whistler's resort products. In line with this objective, WB announced the Renaissance project to develop activities that are not dependent on weather conditions. Since the 2012 EPI recommendations, Whistler has enhanced its art and culture sector. In 2016, the Audain Art Museum opened and RMOW recruited a community cultural officer to implement a cultural plan and development strategy that involved establishing a pop-up studio and integrating home-based artists into Whistler's tourism strategy (EPIC, 2016). In addition, if completed, WB's recently announced Renaissance Project would further improve the resort's year-round available activities, which will likely increase year-round visitor numbers and reduce the resort's sensitivity to seasonal visitation. However, some business owners and operators are concerned that an increase in the number of festival tourists is also detrimental to the resort, by changing the visitor demographics and reducing the average tourist expenditures.

Festivals, Events and Animation (FEA)

Although Whistler hosted festivals and events well before the 2010 Winter Olympic Games, the Games improved Whistler's reputation and global awareness of the destination (RMOW, 2011a). Building on the momentum from the Olympic Games, RMOW created a Festivals, Events and Animation (FEA) program to attract additional visitors through the promotion of spectator and participatory events (RMOW, 2011a). The FEA program sources its funds from the Resort Municipality Initiative (RMI), a provincial program for BC's resort municipalities that funds initiatives with the specific objective of increasing visitation (Government of British Columbia, 2016). In 2014, FEA had a budget of 3.16 million (Taylor, 2014a). As part of the program, Whistler hosts summer music festivals, mountaintop concerts, adventure sports events, and food and wine events. The FEA program is also responsible for managing the Olympic Plaza (RMOW, 2011a). In 2016, Whistler's events included family friendly street entertainment, free concerts, local

artist demonstrations, Whistler Film Festival Adventure Film Series, and Whistler's Great Outdoors Festival (Go Fest). The RMI also attracts external festival and events like Outerbike, Tough Mudder, the Subaru IRONMAN Canada, the RBC GranFondo, Wanderlust, Mudderella and the Vancouver Symphony Orchestra (Taylor, 2015).

Although the FEA program attracts significant visitor traffic, retailers were concerned about the program's adverse effects for the retail sector. The fundamental objective of the FEA program is to generate additional room nights. In this performance area, RMOW had record-breaking volumes of room-nights in the summer of 2013 and May and June of 2014, that local media attribute to the program (Taylor, 2014a). In 2015, Whistler exceeded records for the volumes of room nights in the summer and winter seasons (TW, 2015). The benefits from the FEA program may not be equally distributed. Between 2012 and 2015, annual spending increased in Whistler by 13.2%. Half of the increase in consumer spending occurred in the visitor accommodations sector (\$85.28 million), boosting the visitor accommodations by 35.1%. During the same period retail sectors (convenience goods and services combined with recreation and comparison goods) increased by 8% (EPIC, 2016).

The FEA program is only one factor contributing to the volumes of room nights. Other factors that contribute to the resorts' visitor numbers include the favourable exchange rate; Whistler's reputation as a leading mountain resort; and, WB capital investments (EPIC, 2016). The program's focus on increasing room nights may result in a change in the destination's image, customer demographics, and overall strategy.

Retail sensitivities

Individual company, and association policies and strategic direction influence Whistler DRS's sensitivity to disturbances and are intertwined with separate system components (see Figure 5.6) The performance of the sector relies on the collective actions of its individual retailers, real estate agents, property owners and other local actors. TW, Whistler Chamber of Commerce (WCC), and WB plans have a significant bearing on the local conditions and can influence retail-specific sensitivities.

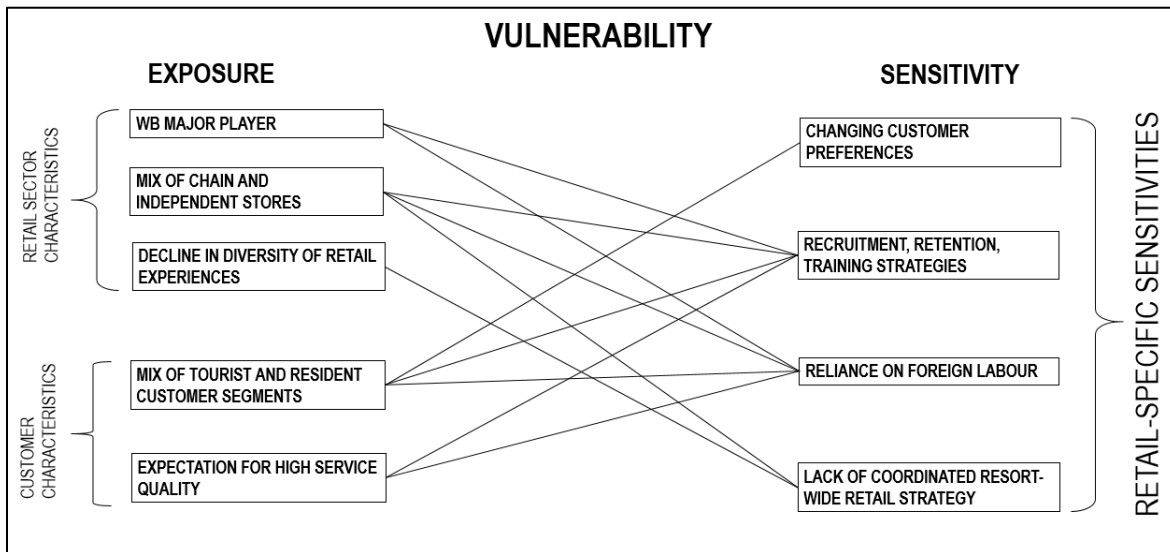


Figure 5.6. Potential linkages between Whistler DRS retail-specific sensitivities and factors that influence exposure to disturbances

While Whistler’s retail system does not currently have a coordinated resort-wide strategy, business owners and operators indicated an interest in developing a resort-wide retail strategy. The TCI’s Sustainable Retail Study reported a similar interest in developing a retail vision and the final report recommended several strategic initiatives. Specific recommendations included to develop “work with landlords to devise a rental strategy to offer variable rental rates by season”, “create distinct zoning/precinct strategy for key retail nodes throughout the Village”, and develop “a recruitment and leasing strategy for targeting tenants deemed compatible with the optimal merchandise mix of each specific node” (TCI, 2007: 12). In 2012, RMOW’s Business Enhancement Committee hosted neighbourhood workshops to test retailer commitment to the retail sector vision for unique neighbourhood node (EPIC, 2012), however, the recommendations were never fully implemented.

Staffing strategies and foreign labour

Whistler relies heavily on temporary foreign workers to fill positions in hospitality and retail (Barrett, 2013). WB employs a staffing strategy that includes targeting and hiring staff from international locations, including Australia, New Zealand, and the United Kingdom. In 2013, WB employed 105 temporary foreign workers, primarily through the working holiday visa program (Barrett, 2013). Although international staff may increase

the brand awareness of Whistler (WBH, 2015b) and contribute to the overall atmosphere in the resort (WBH, 2015b), the resort's reliance on temporary foreign workers enhances its sensitivity to changes in Canadian immigration. Canada's temporary foreign worker program (TFWP) allows Canadian employers to hire foreign workers to fill positions where labour needs cannot be addressed by Canadian citizens and permanent residents (Government of Canada, 2016). In 2015, CBC News reported that although the tourism visits in Whistler were high, a lack of foreign labour supply negatively affected businesses. Local businesses stated that the shortage of foreign workers in Whistler caused overwhelming demands on existing employees and some businesses closed ("Whistler tourism soars", 2015).

The labour shortages are consistent with the labour supply in other resort destinations. Tourism Industry Association of Canada conducted a study on labour conditions in Banff and Lake Louise, which reported labour shortages and issues with the restrictions on the Temporary Foreign Worker program (Industry Association of Canada, 2015). Another study on the structure of the retail sector in Canada found that, retail positions typically have a high rate of turnover. For part-time retail employees, in 2012, 41.5% of the employees had a tenure of less than 12 months and 82.4% had a tenure of less than 5 years (Statistics Canada, Labour Force Survey public use microdata file, 2012 cited in Retail Council, 2013).

In 2015, stores reduced operating hours or closed entirely due to lack of staff. Inadequate staffing affects service quality and brand image (Dupuis, 2015). The labour challenges are indicative of the systems' sensitivity to changes in the labour supply. The current conditions in Whistler are of particular concern due to the characteristics of Whistler's customers, and the role customer service has in tourist satisfaction and purchase behaviour. Hiring temporary foreign workers encourages a seasonal rotation of staff as employees have a limited period of time during which they can work. The continual staff turnover requires a continuous process of recruiting and training staff. High employee turnover affects staffing needs as well as employee morale.

Physical conditions

The retail venue is an essential component of the retail experience, (Kemperman et al., 2009). Whistler's physical conditions have a significant bearing on the DRS sensitivity to disturbances and are highly linked to both retail sector and built environment characteristics (See Figure 5.7). Store layout, atmosphere and ease of moving around in the store influence customer experience (Dabholkar et al., 1996). Depending on the characteristics of the physical environment, the store can positively influence customer experience through provision of unique local experiences, regionally distinct products, entertainment opportunities and superior value for money (Murphy et al., 2011).

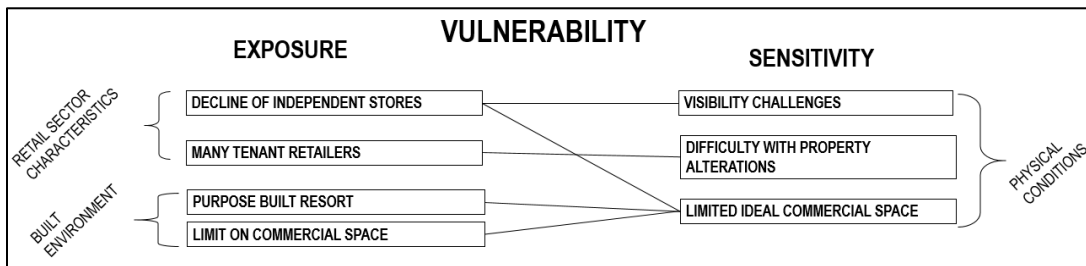


Figure 5.7. Potential linkages between Whistler DRS physical conditions and factors that influence exposure to disturbances

The limited availability of commercial space is another physical condition within the retail system that increases sensitivity to change. Whistler's growth management policies and zoning bylaws restrict the amount of retail space available. Commercial spaces available for rent are often in locations with low levels of pedestrian traffic, inappropriate relative to the needs of small independent retailers (interview #3), which creates a high fixed cost to entry. The limited space available creates challenges for the sector to adapt to changing conditions. For example, in 2013, when a fire damaged the Tyndall Stone Lodge, commercial tenants had limited options for alternative locations to re-open their stores (French, 2013). The vacancies rates are not available, however the total commercial space in the retail sector has remaining stable between 2012 and 2016, with 365,330 square feet, or 15% of the total building space in Whistler, excluding accommodations. No additional areas have been zoned for retail.

Having a limited ability to alter the physical store reduces retailer ability to adapt or adjust in response to changes. For challenges with visibility, access and pedestrian traffic, retailers often felt restricted in their capacity to improve conditions. Limitations include

local bylaws, which inhibit activities that alter the physical appearance of the village, or the structure of current rental agreements, which can be significant barriers to making alterations or substantial investments. For example, in 2013, a local business owner created a set of stairs to provide improved access to the store, which improved pedestrian traffic and sales significantly (Atkinson, 2013b). Although the retailer owned the space, the process to acquire the necessary approvals and conduct the work took years and involved the municipality, two building strata, and timeshare owners (Atkinson, 2013b). In 2012, RMOW recognized challenges with the landscape alteration process and reported streamlining the landscape alteration procedures and later published a retail streetscape guide to support businesses to create diverse and interesting storefronts (RMOW, 2012b).

Governance processes

Governance is generally understood as “the values, rules and laws, as well as the institutions and processes (i.e. policy-making, discursive debates, negotiations, mediation, elections, referendums, public consultations, protests, etc.) through which public and private stakeholders seek to achieve common objectives and make decisions” (Sheppard, 2015: 10). Effective governance and management structures are integral components of resilient tourism systems (Larsen et al., 2011) and determine the collective process and action and facilitate adaptation (Nelson et al., 2007). Effective local governance systems, including institutional structures, policies and regulations are critical to enabling systems to respond or adapt to disturbances. The effectiveness of governance systems influences the distribution, access and use of resources which are necessary to cope and respond to a disturbance (Turner et al., 2003). Although the retail sector is subject to regulations and policies at the provincial, national and international scales, this section does not discuss broader cross-scale interactions, as the focus of the study is the local destination environment.

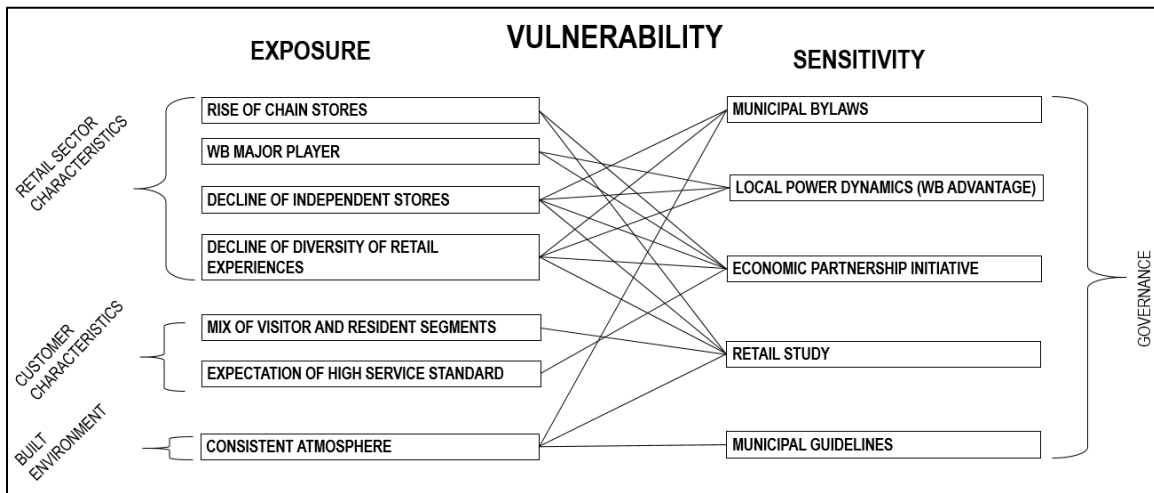


Figure 5.8. Potential linkages between Whistler DRS governance processes and structures, and factors that influence exposure to disturbances

Within Whistler’s DRS, local stakeholders perceive several governance structures as influential to retail sector performance (See Figure 5.8). Currently, retailers are concerned with the power differences between system actors. In Whistler, the RMOW, WCC, TW, and WB are four organizations that are particularly influential in shaping the local environment (as described in Section 4.2.3). Although all retailers are members of TW and the majority are members WCC, many retailers perceive their interests are not adequately considered. The main target of retailer frustration is WB. Many small retailers perceived that WB has the loudest voice and better relationships with property owners and suppliers. They believe that WB has acquired an unofficial Right of First Refusal with respect to rental agreements for properties with expiring leases and exclusivity with respect to selling specific brands. WB also has two appointed representatives on the board of directors of TW and regularly collaborates with WCC and RMOW on many initiatives. With recent WB acquisitions of local retail companies and an increase in their market share, retailer frustrations are exacerbated. The recent creation of WARM is an attempt to create a stronger voice for the retail sector in Whistler. Local retailers and merchants created the association in 2014 and it remains a new organization with an evolving role. The association has a degree of legitimacy in the resort as TW reports meeting with WARM monthly to discuss sector-specific issues (TW, 2015).

During the WCC and RMOW retail mix study, several of the suggested opportunities to improve the retail sector involve initiatives outside the mandate of WCC,

RMOW or TW, including sharing industry-specific trends, and inter-business referrals. WARM may be an appropriate organization to lead initiatives that other resort stakeholders cannot lead.

Municipal policies, plans and strategies

The RMOW's suite of plans, strategies, policies, and bylaws shape the local retail environment and determine the regulatory framework in which retailers operate. Municipal plans and strategies currently in effect include Whistler2020 (2005), the Sustainable Retail Study (2006; 2007), and the Economic Partnership Initiative (EPI) (2013; 2016). Particularly relevant to retailers, the RMOW is responsible for zoning and planning for development, building codes, and maintaining municipal services and infrastructure (departmental responsibilities described in Section 4.2.3).

The RMOW has specific bylaws that regulate the exterior design of buildings within designated commercial zones in Whistler. The Whistler Village Design Guidelines encourage developers to maintain the existing mountain village character, including its pedestrian orientation, availability of open space amenities, and consistent landscaping, architectural features and colour scheme (RMOW, n.d.). Guidelines support consistent and quality form and character of development and the protection of the natural environment. The RMOW also requires business owners located in specified areas (including the DRS area) to acquire development permits before any alterations can take place. Application expenses range from \$300-750 not including any RMOW costs of processing, reporting, analysis and inspection. The current development permitting process is perceived by some retailers as a barrier for business investment in physical improvements to their stores(Described in the section above on physical conditions).

A development permit is required for development permit areas for 1) Alteration of land, including landscaping or removal of vegetation or trees; 2) Construction of, additional to, or alteration of any building or structure including repainting (not including interior renovations); and 3) Subdivision of land. (RMOW, Zoning and Parking Bylaw No. 303, 2015)

In 2005, the RMOW adopted *Whistler 2020*, a policy document in Whistler that reflects the community's vision for a sustainable future (Resort Municipality of Whistler, 2006). *Whistler2020* articulated Whistler's shared values, sustainability principles as well

as, priorities, directions and vision to make Whistler the premier mountain resort community – as Whistler moves toward sustainability. The five priorities for the *Whistler2020* document are to enrich community life, enhance the resort experience, protect the environment, ensuring economic viability and collaborate through partnerships. Whistler2020 remains the highest-level policy document, on which any additional policies or plans are based.

Retail Strategy

In 2006, RMOW commissioned TCI to prepare a Sustainable Retail Study to develop a vision for the retail sector, with objectives that aligned with those drawn from *Whistler2020*. The study included a background report that examined the target market demographic and spending characteristics, considered the regional retail competition, and critically evaluated the retail nodes in RMOW. The study made recommendations for how to improve the retail experience and destination performance as a world-class alpine resort. Key considerations for the study included Whistler's retail space needs; the ideal form and character of retail nodes, including specific retail types, size, products, and merchandise; and potential strategies, policies, land use regulations, incentives and tools for RMOW to support retail sector success. The retail study recommended five strategies for enhancing the retail sector without adding commercial space:

- 1) establish an optimal mix in terms of type of retail and character, for each retail node in Whistler;
- 2) use business regulation strategies, policies and zoning to implement a retail strategy;
- 3) strengthen the merchandise offering;
- 4) strategically locate anchor functions; and
- 5) use streetscape enhancement strategies to increase customer traffic, maximize customer circulation (Thomas Consultants Inc, 2007).

The retail study recommendations were designed to help shape the RMOW Council decisions concerning zoning applications, influencing the composition of the retail sector. Rather than creating additional retail space, the study recommended that existing commercial space be leveraged more successfully. Recommendations also included to establish a retail liaison position, facilitate improvements to private retail storefronts and streetscapes, coordinate and facilitate a tenant recruitment strategy, consider maximum

retail size guidelines, and allow retail to spill into common areas (RMOW, 2012b). Following up on the TCI study (2007), in June 2012, the RMOW business enhancement committee, which included retail business owners, and representatives from WB, TW, and the RMOW, hosted neighbourhood workshops to implement the retail vision. The workshops involved a presentation on the retail streetscape guide and vision, and brought stakeholders together to develop an action plan (RMOW, 2012b). Finally no action plan was ever developed.

The retail environment relies on the actions of a large number and type of organizations and firms. Resort-wide retail strategies require the participation and coordination of a large number of stakeholders. The TCI recommendations (2007) and the business enhancement committee workshop failed to direct the retail sector positioning or overarching strategy without the support from retailers, property owners, and other stakeholders.

Summary of factors for Whistler's DRS sensitivity to disturbances

Whistler's DRS sensitivity to disturbances is the degree to which it is affected after it is exposed to shocks or stressors. Its sensitivity depends on its existing system conditions, including sources of capital (human, social, economic and physical) and structures or processes that enable actors to access capital to respond or adapt to change. Local stakeholders identified several local conditions they perceived as influential to system functioning, including retail and tourism strategies, labour conditions, retail space conditions, local power dynamics and the effectiveness of local governance processes. Resort-wide strategies to diversify resort products, focus on festivals and events, and sell vacation packages support more consistent visitor numbers and reduce sensitivity to seasonal visitation and poor weather conditions. Current labour conditions, which include shortages, high employee turnover, and a reliance on temporary foreign workers, increase DRS sensitivity to shifts in labour supply. The limited availability of affordable and quality retail space increases sensitivity to disturbances affecting existing retail spaces. Additionally, power dynamics between Whistler Blackcomb, property owners and independent retailers may limit alternatives for independent retailers and increase their individual sensitivity to disturbances.

Chapter 6. Whistler's Retail System Resilience

This Chapter discusses the study findings related to the resilience, adaptive capacity and coping response of Whistler's retail system and refers to relevant literature and community documents. The Chapter discusses factors that local stakeholders identified as influential to the retail system that may relate to its resilience, adaptive capacity and coping responses. The frame for analysing the retail sector's defining features is the Destination Retail Resilience Framework (DRRF), as described in Chapter 3. Influential elements were organized using the resilience concepts as conceptualized by the DRRF (see Figure 6.1). The Chapter begins with a discussion of Whistler's retail system resilience and adaptive capacity, including factors related to learning, social networks and innovation; and concludes with a discussion of system responses.

6.1. System Resilience and Adaptive Capacity

Retail system resilience is the ability of different types of retail outlets to adapt to changes, crises, or shocks that challenge the system's equilibrium, without failing to perform their functions in a sustainable way (Fernandes & Chamusca, 2014). Resilient retail systems can retain economic viability and respond to the needs of different consumer groups (Cachinho, 2014). Within the resilience literature, key system structures and processes that influence the resilience of social-ecological system (SES) include adaptive capacity, capacity to learn and innovate, the strength of social networks, and flexibility. Table 6.1 identifies the relevant system characteristics that may influence the adaptive capacity of Whistler's retail system. Through the analysis of the study data, several elements of the destination retail system (DRS) may influence its adaptive capacity, including the existence and strength of local networks and associations, and local policy and planning initiatives.

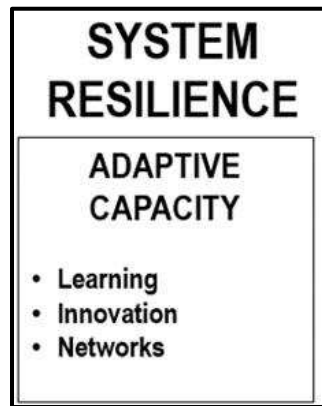


Figure 6.1: Relationship between system resilience and adaptive capacity as conceptualized by the Destination Retail Resilience Framework (DRRF)

6.1.1. Adaptive capacity

Adaptive capacity is the ability of a system to adapt to disturbances. In the event that a system is subject to shocks or stressors, its ability to adapt and take advantage of opportunities to innovate and implement solutions can reduce a system’s vulnerability (Bec et al., 2016; Nelson et al., 2007). In SES, adaptive capacity is a function of system learning, the strength of social networks, ability to experiment, and ability to implement novel and innovative solutions. All of the DRS characteristics and conditions are highly linked to the components of adaptive capacity.

Table 6.1. Summary of factors that may influence adaptive capacity in Whistler's Destination Retail System

Adaptive capacity:	Findings
Strength of networks	<ul style="list-style-type: none"> • Creation of Whistler Association of Retailers and Merchants (WARM) • Existing networks, including Whistler Chamber of Commerce (WCC) and Tourism Whistler (TW)
Innovation	<ul style="list-style-type: none"> • Perceived lack of capacity to innovate within retail sector • New local business models
Learning	<ul style="list-style-type: none"> • 2015 retail study by WCC and RMOW • Tourism Whistler (TW) research and publications

Strength of networks and collaboration

Effective networks and collaboration are essential to adaptive capacity. Whistler has a significant amount of support for business owners and operators from its local associations and networks. The retail sector is interconnected with Whistler’s other sub-sectors and organizations and networks that extend beyond the retail sector, including Tourism Whistler (TW), the Whistler Chamber of Commerce (WCC) and the Municipality (RMOW) (described in Section 4.2). Figure 6.2 depicts the possible linkages between the DRS elements of sensitivity, exposure and adaptive capacity. The figure is a simplified representation of potential relationships between system elements based on the study findings.

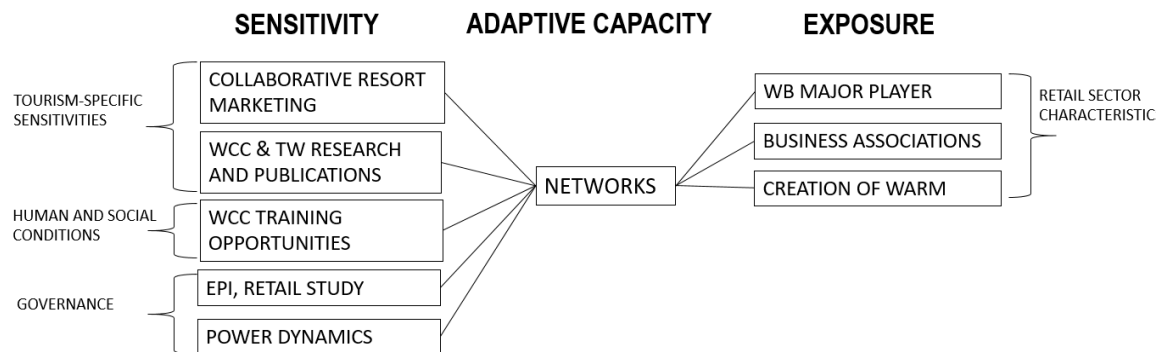


Figure 6.2. Potential linkages between Whistler DRS networks and factors that influence sensitivity and exposure to disturbances

Although not unique to the retail sector, both TW and WCC provide services for local business owners that promote local partnerships and collaborative initiatives and facilitate learning. To support local businesses achieve high-quality customer service, WCC publishes reports (See Table 6.2), offers training sessions, hosts workshops (e.g. retail strategy workshop with the Retail Council of Canada) and conferences, and coordinates *the Whistler Experience Program*, which provides training and educational modules, a secret shopper program and a pass to provide participating employees with discounts (WCC, 2016c). Similarly, TW has a long history of collaborative work and is well connected with the resort. In 2015, TW increased its focus on cooperative efforts and reported developing niche partner campaigns in particular tourism markets (luxury, events,

golf, bike and Nordic) (TW, 2015). Partnership highlights from 2015 include work with member businesses to maximize benefits from events and festivals and work with local merchants to develop 'Indulge in Whistler', a shoulder-season promotion (TW, 2015). TW also participates in the RMOW Festivals, Events and Animations (FEA) working group. In 2015, the RMOW and WCC also collaborated on a retail mix study to identify opportunities to support and enhance Whistler's retail sector. The study included a series of interviews and a survey of business owners and operators to understand the current retail conditions and identify opportunities to enhance the retail sector in the DRS area. The study was a chance to learn and make recommendations to the Economic Partnership Initiative (EPI) Committee, to consider in future economic strategies.

Despite the volume of information generated and available for local stakeholders, business owners identified additional information as an opportunity to improve the retail sector. A lot of the information may not be relevant to retailers; they need more industry specific information. Business owners are overwhelmed with the information and retailers lack the capacity to filter through the volume of information they receive.

Table 6.2 List of select Whistler Chamber of Commerce publications

Whistler Chamber of Commerce Publication
<ul style="list-style-type: none"> • Your ' Quick-Start ' Guide to Recruitment and Retention @ Whistler: A toolkit of leveraging Whistler's 'Employment Brand' (2016) • Finding Solutions to Whistler's Labour Challenges, 2016 • Putting Canadians 1st, 2016 • Commercial Lease Report, 2016 • Examining the Importance of Customer Service Training, 2015 • Whistler's service values – the 3Rs

Although the resort retail system includes networks like TW and WCC, within those organizations, retail is one of many competing interests. For example, on TW's Board of Directors, only one member represents commercial interests, and the mandate focuses on increasing the number of room nights. Increasing room nights does not necessarily improve the conditions for retail in Whistler. Increasing room nights may increase the number of visitors in the resort; however, depending on the characteristics of those additional visitors the impact for retailers may be negative. Event related activities and

vendors compete for visitors' time and money. In addition, average daily spending for summer regional visitors is decreasing (EPIC, 2016).

In response to the competing interests in the commercial environment, merchants and retailers recently created the Whistler Association of Retailers and Merchants (WARM), to represent local retailers who are not a part of other associations. It is possible that local business owners felt there was a gap in the local networks and their opinions were not well represented. TW recognizes the importance of communication with Whistler's sub-sectors; and since WARM's creation, TW reported attending monthly meetings with WARM (TW, 2015).

Knowledge sharing

Knowledge sharing is an integral component of system learning and adaptive capacity. Carpenter et al. (2001) includes the capacity of a system to learn and adapt as one of the essential components of resilience. High level of connectedness and the existence of social networks enhances knowledge sharing between system actors.

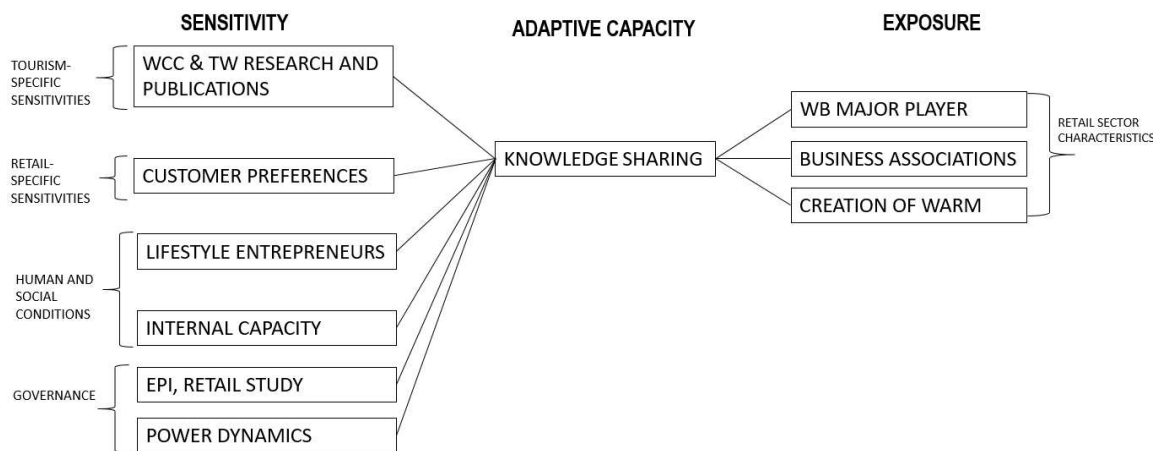


Figure 6.3. Potential linkages between Whistler DRS knowledge sharing and factors that influence exposure and sensitivity to disturbances

The ability of local actors to share knowledge links to several local factors that influence exposure and sensitivity to disturbances (see Figure 6.3). In Whistler, the presence and strength of local business networks including TW and WCC create the opportunity for retailers to receive and share a wealth of industry knowledge specific to the conditions in Whistler.

WCC and TW continually research and publish information about changing conditions. TW tracks visitor trends and forecasts visitation, and the WCC supports the sharing of industry experience for its members through networking events, training opportunities and publications. WCC publishes documents to help its members respond and adapt to changing local conditions. Examples include the *Commercial Lease Report* that outlines the average lease rates and operating costs for commercial properties in RMOW (Whistler Chamber of Commerce [WCC], 2016a), and *Putting Canadians 1st* (WCC, n.d.) and *Finding Solutions to Whistler's Labour Challenges* (2016b), which are designed to help support business owners overcome labour challenges. *Putting Canadians 1st* was published after changes to the Federal Foreign Worker Program affected the labour supply of temporary foreign workers for Whistler businesses. Whistler relies on temporary foreign workers and working holiday visa holders to support the hospitality positions in the RMOW (Whistler Chamber of Commerce, n.d.), and WCC is encouraging and supporting Whistler's businesses to reduce their dependency on foreign labour.

Although several local organizations offer services and a wealth of information and support to retailers, business owners perceive that additional information and support would be helpful and that adapting to customer preferences remains a challenge. Considering the current wealth of information and the simultaneous desire for more information, it is possible that the current information is not reaching all of the appropriate individuals.

Innovative solutions

Fostering innovation is one of the vital social components that supports adaptive capacity in SES (Armitage, 2005). Within retail systems, innovative solutions are often a result of adaptations to existing conditions. Innovation is an integral component of retail system adaptive cycles and is a characteristic of systems with high and increasing levels of resilience (Dolega & Celinska-Janowicz, 2015). Within Whistler's DRS, the capacity to innovate relates to system elements that influence system sensitivity and exposure to disturbances (See Figure 6.4).

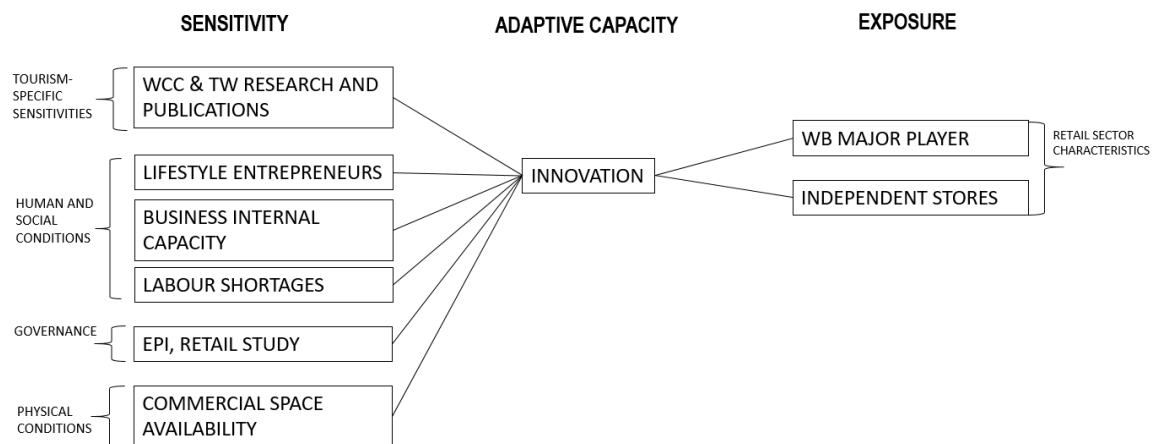


Figure 6.4. Potential linkages between Whistler DRS innovation and factors that influence sensitivity and exposure to disturbances

There are a few of examples of innovative business models in Whistler such as 3 Singing Birds, which curates a collection of products from small Pacific Northwest design companies (<http://3singingbirds.com/>). The store partnered with another locally owned business, Green Mustache Juice, to share a single rental agreement. The joint agreement allowed the businesses to overcome challenges with acquiring appropriate commercial space. Many commercial spaces available in RMOW are large and create a barrier to entry for new businesses (<http://www.greenmoustache.com/>). Although these businesses are examples of innovative practices to overcome barriers, the business model requires a landlord that will accept an alternative tenant arrangement. Retailers may have difficulty using this model in other locations in Whistler. This is particularly true if retailers' perceptions are correct and landlords prefer national chains as anchor tenants.

In Whistler, many retailers are occupied with the labour challenges and daily tasks which limit their capacity to implement innovative business practices. Labour shortages leave many positions unfilled. Shortages require business owners and managers to fill-in positions, and increase focus on recruitment, training and retention which leave many retailers occupied with human resources and operational tasks as opposed to strategic management. The perception is that labour supply issues debilitate small and independent businesses more than larger businesses, as the business owner often responds by personally taking on additional roles and responsibilities.

Competing lifestyle priorities may inhibit proactive and innovative business practices. Within the tourism literature, the unique characteristics of lifestyle entrepreneurs are well documented. Entrepreneurs in the tourism sector often have non-economic motivations (Morrison et al., 1999), including lifestyle motivations (Ateljevic & Doorne, 2000). In interview #4, a key informant explained that some local retailers have competing lifestyle priorities that may inhibit innovative business practices. In this case, the informant elaborated that business owners would rather be out skiing or biking than spending time on their business. Although competing priorities may inhibit retail performance, they may not necessarily reduce resilience to all types of disturbances. Biggs (2012) studied how lifestyle motivations impact resilience in the context of tourism system resilience and found that businesses with owners motivated by lifestyle were more resilient to the impacts of a natural disaster. In this case, business owners were more dedicated to their businesses and had a higher threshold for operating in unfavourable conditions than business owner motivated solely by profitability. Biggs (2012) studied the impacts of a natural disaster in Asia; however, the study findings suggest that lifestyle entrepreneurs may be less sensitive to certain types of disturbances.

Adaptive capacity within Whistler's DRS, is the system's ability to adapt to disturbances, take advantage of opportunities to innovate and implement solutions. Whistler's adaptive capacity is a function of system learning, the strength of social networks, ability to experiment, and ability to implement novel and innovative solutions. Local stakeholders identified several factors perceived as influential to system functioning that may affect DRS adaptive capacity. Local social networks provide a forum for collaborative initiatives between local stakeholders. Through existing networks, local organizations disseminate resort and industry related information to help members adapt to changing conditions.

6.2. Coping Response

After experiencing a disturbance, systems can respond with a variety of actions. Responses can originate from individual retailers, business associations or networks, different levels of government, or other stakeholders. Coping responses may be spontaneous or planned (Erkip et al., 2014) and can range from immediate and short-

term coping strategies to long-term adjustments and adaptations (Calgaro et al., 2014). Short-term coping responses are typically a function of the characteristics and conditions in the system (see Figure 6.5); including the available capital, effectiveness of governance structures, and system preparedness, while long-term adaptation and adjustment may also involve self-organization, reflection, social learning and taking opportunities to reorganize (Calgaro et al., 2014). Spontaneous responses are normally reactive responses of individual retailers, while planned responses are proactive, require deliberate action by many system actors and require coordination and collaboration (Erkip et al., 2014). Proactive responses may include public instruments and political measures that attempt to control the development process and spatial distribution of the retail sector (Fernandes & Chamusca, 2014).

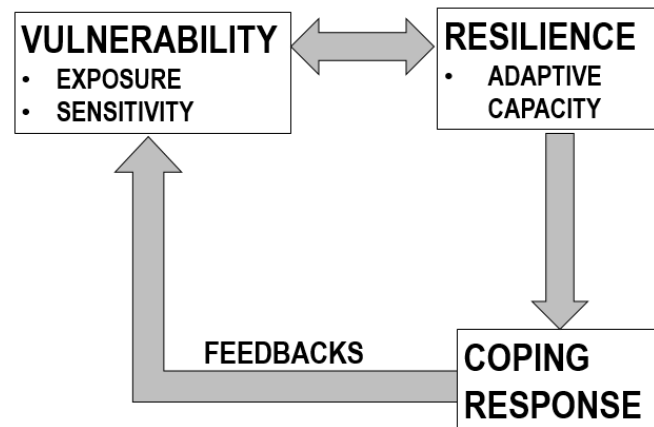


Figure 6.5. Linkages between coping response, system vulnerability and resilience

Whistler’s DRS is continually subject to shocks and stressors that require coping responses. Whistler recently experienced a series of disturbances, which include hosting of the 2010 Olympic Games, the 2008 economic recession, changes to federal immigration policies in 2014 and 2015, and recent shifts in local municipal government. During this study, retailers also expressed concerns with system disturbances including shifts in labour supply, currency exchange rates, and customer preferences.

The challenges faced by local business owners are not unique to Whistler. Chains are becoming more concentrated in many countries (Amato & Amato, 2004), and for decades, independent, small and often family-owned businesses have struggled to

compete (Castillo-Manzano & López-Valpuesta, 2009). The struggle for local businesses is due to multiple factors; including the widespread increase in large-format stores (Guy et al., 2005), and the fact that consumers are consumers more aware of prices and demand elaborate pricing strategies often only available at chain stores (Levy et al., 2004). San Francisco is one example of a jurisdiction that opted to regulate chain stores to maintain distinct areas with specific character and purposes. Chain retail stores require a conditional use authorization and are completely prohibited in specific zones (San Francisco Planning Commission, 2014). In the context of a municipality driven by tourism, in February 2013, Banff's town council debated a proposed quota for chain stores (Stephenson, 2013).

Actors within Whistler's DRS continually implement changes to respond to system disturbances. Whistler is a master-planned resort, and historically used proactive land use planning and zoning to determine the development patterns and location of retail outlets. In regards to strategic responses specific to the retail sector, RMOW commissioned the Sustainable Retail Study Background and Recommendations (TCI., 2006; 2007); as well as, invested in a village enhancement initiative (EPIC, 2016), and most recently, RMOW and WCC collaborated on a retail mix study in 2015 to identify opportunities to enhance the retail sector. Individual retail businesses also respond with altered business practices, which can include changing the quality and type of merchandise, target markets, advertising or communication strategies (Erkip et al., 2014).

During this study, retailers suggested several responses to current system disturbances, which included responses for individual retailers, the municipality, and other local actors. At the level of the individual retailer, local stakeholders plan to increase their social media and online presence, continually seek ways to attract and retain labour, and collaborate with property owners for renovations or improvements to the physical environment.

Suggestions for the municipal government focused on creating conditions that support local, independent, and unique retail outlets. Specific responses included the following:

- creating a structure for cost sharing agreements,
- streamlining decision-making processes for approving physical alterations,
- taking over leases to gain decision-making powers over the local tenants,
- implementing policies that limit the number of chain stores in Whistler,
- creating zones exclusively for independently owned businesses;
- providing tax incentives to landlords who select tenants that are locally owned businesses; and
- increasing the attractiveness or level of activity in areas with low levels of pedestrian traffic.

The majority of local stakeholder suggestions are consistent with previous recommended actions to enhance the performance of the retail sector. The TCI Sustainable Retail Study Report (2007) included a series of recommendations focused on using business regulation strategies, policies and zoning to enhance the retail sector, strengthen the merchandise offering; and increase customer traffic and circulation (TCI., 2007). More recently, the updated EPI report (EPIC, 2016) include recommendations to support the development of unique retail offerings.

The challenge with several of these recommendations is that they require the coordinated action of many local stakeholders, in addition to the local political will to implement them. Governments can intervene with policies designed to change the conditions for local businesses, however, whether and when it is appropriate to intervene is controversial. However, increasing evidence indicates that targeted or planned interventions are critical for building resilient systems with high levels of adaptive capacity (Simmie and Martin, 2010). Within retail systems, the success of coping responses is dependent on the participation of actors with the knowledge required to identify problems and appropriate interventions (Dolega and Celinska-Janowicz, 2015). Ultimately, it is the combined actions of many players that influence system dynamics, including individual retailers, private firms, associations and the municipal and other levels of government (Fernandes & Chamusca, 2014; Ozuduru & Guldmann, 2013). The collective capacity for

collaboration, effective decision-making and governance influences the effectiveness of responses.

Whistler's DRS coping responses depend on the existing system conditions and characteristics which also determine system vulnerability and resilience (See Figure 6.5). Within Whistler's DRS, retailers suggested various interventions to respond to perceived threats, including actions for individual retailers and the RMOW. Many of these suggested interventions are consistent with recommended actions from Whistler's previous retail strategies or plans, however, remain unimplemented. Whistler's responses depend on existing system conditions and characteristics, and it is possible that the current DRS characteristics are such that the suggested actions are difficult to implement.

Chapter 7. Conclusions

7.1. Summary of Research Project

Globally, the retail sector is subject to continuous change in the form of disturbances that can threaten the retail systems' stability and force it to respond or adapt (Dolega & Celinska-Janowicz, 2015; Kärrholm et al., 2014). In the last few decades, increased globalization, shifts in consumer preferences and behaviour, and continual advances in technology have driven widespread changes to the retail environment. In tourism destinations, the retail sector is subject to additional shocks and stressors, including seasonality, a mix of customer types, and unique considerations that determine customer satisfaction and purchase behaviour. Depending on the particular retail system's characteristics, disturbances can provide opportunities for innovation, growth, and renewal, or threaten stability and the ability to maintain its essential functions (Folke, 2006). Many successful retailers are adapting to changing conditions with innovative solutions, often implementing entirely new business models, or creating new products and services, while unsuccessful retailers struggle to adjust, decline and eventually close (Dolega & Celinska-Janowicz, 2015). In the resort environment, retailing is often a vital component of the overall destination image, tourist experience and satisfaction, and local economic benefits; and the retail system's ability to respond to changing conditions is essential to the overall success of the destination.

To anticipate and prepare for the unavoidable changes in system conditions, understanding the factors that influence the retail sector's ability to respond to change is pertinent (Bec et al., 2016). Without adequate understanding, continuous shocks and stressors can challenge the viability of the retail system and may ultimately jeopardize the stability of its surrounding communities (Cachinho, 2014). Increasingly, researchers use resilience and vulnerability concepts to understand how systems adapt and respond to change, to provide communities with a better understanding of how to anticipate to and prepare for inevitable changes. The resilience approach incorporates concepts from multiple disciplines to identify system weaknesses, strengths and opportunities for successful intervention, that considers linkages between system components and the effects of multiple scales, disturbances and feedback loops (Calgaro et al., 2014).

The main objective of this project was to examine a resort retail system to identify the aspects that influence system resilience and vulnerability and examine the linkages between factors that drive system vulnerability and resilience. This study applies resilience and vulnerability concepts from relevant literature to examine the case of Whistler, a North American mountain resort destination. In the context of Whistler's retail system, the study reviewed the factors that local business owners and operators perceived as influential to the Whistler's destination retail system (DRS) functioning and explored how the factors identified by local stakeholders influenced the retail systems' vulnerability and resilience to shocks and stressors. Stakeholder perspectives were interpreted through a vulnerability/resilience lens to explore specific retail sector characteristics and local conditions; and their linkages to adaptive capacity, sensitivity and exposure to disturbances, and coping responses.

The study proposed an original Destination Retail Resilience Framework (DRRF) that builds on previous frameworks grounded in the tourism vulnerability literature (Calgaro et al., 2014; Turner et al., 2003) and includes additional components relevant to the retail system, as identified in existing literature on retailing. The DRRF integrates resilience and vulnerability concepts, considers factors unique to the tourism and retail sectors, and incorporates the influence scale and feedback loops.

This study provides an example of the examination of Whistler's destination retail system (DRS) guided by the DRRF. The framework's conceptualization of the linked concepts of resilience, vulnerability and adaptive capacity integrate consideration to factors specific to retail systems in resort environments. The framework includes retail and tourism-specific sensitivities, including resort-wide and individual retail and tourism strategies. This study identifies several components of Whistler's DRS that stakeholders perceived as contributing to its functioning, and highlights potential linkages to system resilience and vulnerability. Figure 7.1 summarizes the research findings organized using the DRRF. The DRS demonstrates several factors that contribute to its adaptive capacity, including a high level of learning, knowledge, skills, and network connectivity.

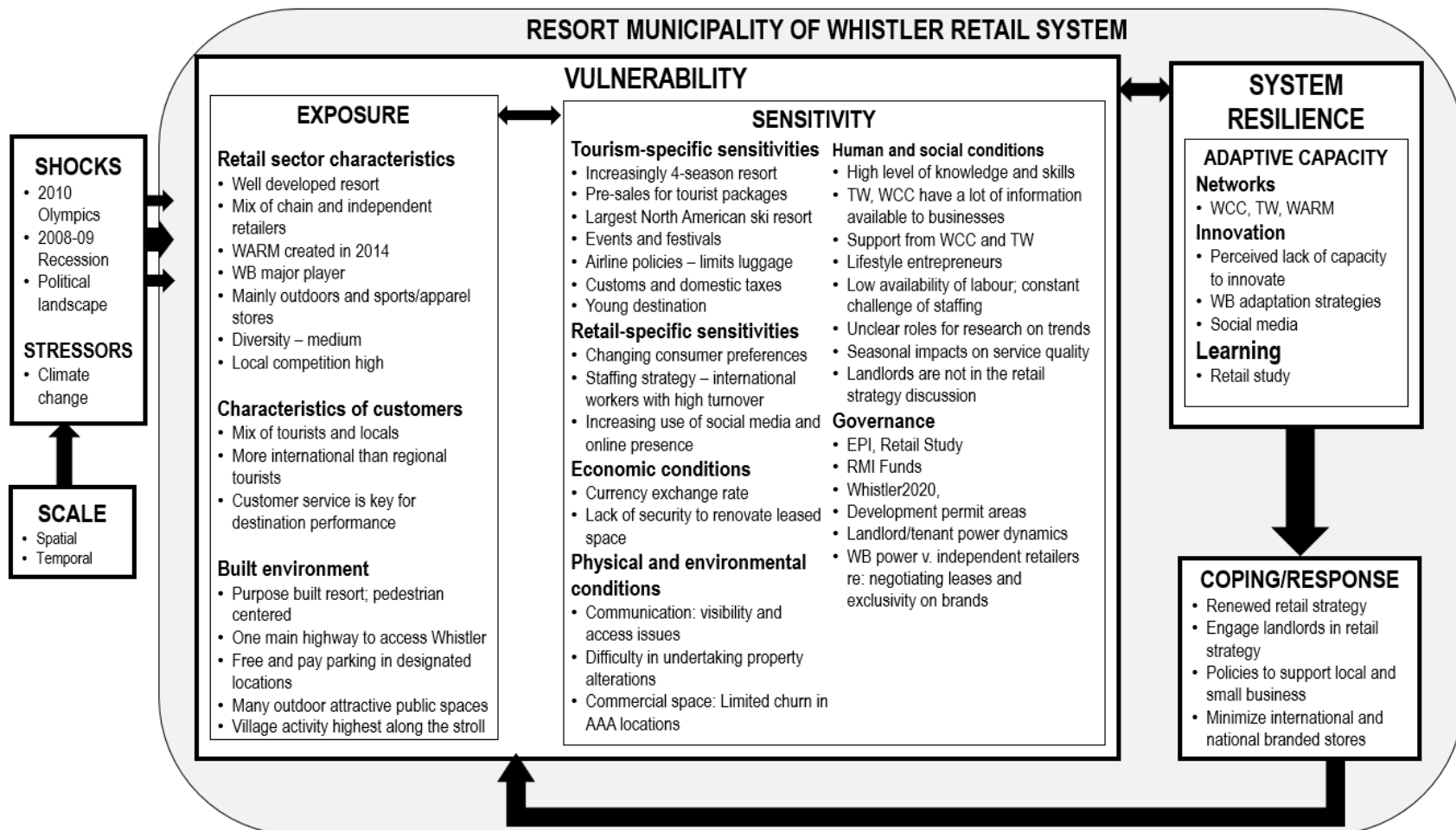


Figure 7.1. Summary of the study findings in the Resort Municipality of Whistler depicted using the Destination Retail Resilience Framework

Source: Research findings presented with framework adapted from Calgaro et al., 2014; Turner et al., 2003

7.2. Management Implications

For retail systems in resort environments, understanding the elements that shape its vulnerability and resilience is critical to anticipate change and design practical solutions that build resilient systems. This study's results provide insight into retail system elements that may influence its resilience and vulnerability, and more specifically, its adaptive capacity, sensitivity or exposure to disturbances, and coping responses. The study identifies factors that local stakeholders highlighted and may contribute to system weaknesses and strengths. The study findings present some potential linkages between Whistler's current conditions and its vulnerabilities, including the retail sector composition in terms of merchandise diversity and ownership type, trends in customer markets, and local labour conditions. The findings indicate areas for further investigation. With an understanding of the factors that influence system resilience, local actors can design interventions to reduce exposure and sensitivity to disturbance, and support key components of adaptive capacity: learning, innovation, and knowledge sharing.

This research project also provides a conceptual framework grounded in the literature that can be adapted for managerial use in other destination retail systems. Conceptual frameworks that recognize the vulnerability of SES can help understand which system components are vulnerable to shocks and disturbances, and provide insight into how resilient and adaptable communities can be created (Turner et al., 2003). The DRRF includes a list of factors that may influence system resilience and vulnerability based on relevant findings in previous literature. The concepts and factors included in the DRRF provide a foundation from managers and local stakeholders can begin to assess retail systems elsewhere. However, the factors included are not comprehensive and thus would need be adapted for use to examine specific systems.

7.3. Study Limitations

This study is exploratory with a limited scope and scale. The research examines the perceptions of a small number of local business owner and operators, who have retail outlets located in three retail nodes in the Resort Municipality of Whistler (RMOW). The

study is case and time specific, and the results are not representative of the entire retail sector in Whistler or retail sectors in mountain resort communities. In addition to limitations associated with the scope and scale of the study, there are also limitations with data originally collected for an independent study. The survey and interview data originated from a Whistler Chamber of Commerce and RMOW jointly led retail evaluation. As such, several components of the original dataset were not relevant to this study. For instance, the original questions did not refer to traditional resilience concepts, interviews were not audio-recorded, and the interview notes may be incomplete and relevant information may have not been recorded due to limitations with handwritten notes, which prevent exact transcriptions. With qualitative interview methods, there is also a risk that some informants' responses contain subjective personal contemplation, which may be biased, inaccurate and incomplete (Woodside, 2010); and verbal accounts of situations can be distorted or inadequate, which may prevent an in-depth understanding of the topic (Woodside, 2010). Additionally, as with any research conducted by a single researcher, although effort to be objective was taken, there is a risk the actual intent of the data is misunderstood, and personal biases are applied. Further research is required to determine if the system elements and conditions that local stakeholders perceive as creating challenges pose an actual risk to system resilience. If the factors identified in this study do contribute to the vulnerability of the retail sector, local policy and planning interventions can be designed to adjust system conditions to reduce vulnerability.

7.4. Areas For Future Research

The RMOW should consider further research on the resilience of the retail sector in the context of the recently proposed developments in Whistler, including Whistler Blackcomb's announced \$345 million Renaissance Project and its acquisition by Vail Resorts. The acquisition is currently in the Canadian regulatory approval processes (Vail Resorts, 2016). The Renaissance Project will certainly influence Whistler's local conditions, as it will introduce new infrastructure, and year-round activities, which will likely increase visitor numbers and appeal to new demographic markets. To be able to support a resilient retail system, it is useful to understand and prepare for the potential impacts these changes may have on the retail sector.

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Appendix A.

Online Business Survey Questions

Survey Questions for Whistler Retail Owners and Operators

Question	Response options
1. What type of primary business do you operate?	<ul style="list-style-type: none">• Retail• Food and Beverage• Entertainment or Activities• Other (Please specify the other type of business)
2. What type of retail does your business specialize in?	<ul style="list-style-type: none">• Grocery and convenience• Liquor store• Specialty food• Recreational goods• Pharmacy and drugs• Clothing (non-sports)• Clothing (sports)• Gifts, souvenirs and novelty items• Accessories• Art• Other (please specify)
3. Where is your business located?	<ul style="list-style-type: none">• Whistler Village• Upper Village• Village North• Creekside• Function Junction• Other (please specify)
4. What is your main market niche? (e.g. Whistler residents, European tourists, etc.)	Open field
5. How long has your business been in operation?	<ul style="list-style-type: none">• Less than one year• 2-3 years• 4-5 years• 6-9 years• 10 years and over

Question	Response options
<p>6. How often do you use the following methods for assessing customer feedback and satisfaction? (never, very rarely, sometimes, or regularly)</p>	<ul style="list-style-type: none"> • In store surveys • Personal interaction with customers • Anecdotal feedback • On-line survey • Email communication • Social media websites (Facebook, twitter, Instagram, etc.) • Reviews from other websites (yelp, TripAdvisor, etc.) • In-store comment boxes • Please indicate other methods of assessing customer feedback and satisfaction.
<p>7. Overall, how important are the following features to your customers' experience? (not important, somewhat important, important, very important)</p>	<ul style="list-style-type: none"> • Wi-Fi access • An area for sitting or relaxing • Extensive product information (e.g. product specifications, materials, performance, reviews, etc.) • Special events (food or drink tastings, book signings, etc.) • Social media pages (twitter, Facebook pages, Instagram) • Other (please specify)
<p>8. How important are the following product qualities to sales in your store? (not important, somewhat important, important, very important)</p>	<ul style="list-style-type: none"> • Socially or environmental responsible • Focused assortment • Customized • Artisanal • Locally sourced • Uniqueness • Variety • Other (please specify)
<p>9. How is your business' financial performance compared to the last 2-3 years?</p>	<ul style="list-style-type: none"> • Stable • Declining • Growing
<p>10. Which technologies do you use regularly for your business? (select all that apply)</p>	<ul style="list-style-type: none"> • Website • Website (mobile enabled) • Online sales • Social media • Portable Point of Sale (POS) • QR codes for mobile scanning • Interactive technology • Wi-fi for customers • None of the above • Other (please specify)

Question	Response options
11.If you selected online sales in question 10, where do you deliver products purchased online? (select all that apply)	<ul style="list-style-type: none"> • Whistler only • British Columbia only • Canada • United States • Other International
12.If you selected social media in question 10, how important are the following reasons for using social media (twitter, instagram, facebook, linkedin, etc.) in your business? (not important, somewhat important, important, very important)	<ul style="list-style-type: none"> • Driving store traffic • Building brand awareness • Managing customer relations • Generating leads • Building relationships with prospective customers • Engaging existing customers • Gaining customer feedback • Other (please specify)
13.How do you envision your business evolving in the following areas over the next 5 years? (decreasing, staying the same, increasing or n/a)	<ul style="list-style-type: none"> • Financial performance • Product variety • Employment levels • Size of commercial space • Online presence • Equity investment • Please comment on additional ways you envision your business evolving over the next 5 years
14.To what extent do the following challenges affect your business' performance? (strongly, moderately, somewhat, not at all)	<ul style="list-style-type: none"> • Aligning initiatives with changing customer preference • Staffing (hiring, retaining or training) • Location with low levels of pedestrian traffic • Difficult physical access to the entrance • Responding and adapting to unpredictable weather conditions • Differentiating from competitors • Insufficient or limited focus on business strategy • Other (please specify)
15.Please specify the type of changes you plan on making to help strengthen your business and address key challenges identified earlier? (comment on all areas that apply)	<ul style="list-style-type: none"> • Promotion • Employment strategy • Online presence • Pricing • Product offering • Environmentally or socially responsible initiatives • Decrease costs • Target customers • Other (please specify)

Question	Response options
<p>16.If the following types of support were available to the Whistler business community, to what extent would they be helpful for addressing your key business challenges? (not at all, somewhat, helpful, very helpful)</p>	<ul style="list-style-type: none"> • Support developing or updating your business strategy • Financing • Support on recruitment, retention and training • Branding and marketing • Support learning new technology • Information on customer trends • Information on sustainable business practices • More resort information (e.g. upcoming events) • Information about resort's longer term planning • Please indicate other types of support that could help you address your key business challenges.
<p>17.Please specify the types of opportunities for innovation in your business. (Please comment on all relevant areas)</p>	<ul style="list-style-type: none"> • Customer Channels • Product Offering • Promotion • Technology • Physical Space • Sustainability
<p>18.Other areas you see opportunities for innovation (please specify, if relevant)</p>	<p>Open field</p>
<p>19. If you had no constraints or obstacles what would you do differently with your business?</p>	<p>Open field</p>
<p>20.In your opinion, what opportunities are there for enhancing Whistler's retail mix that would be beneficial for locals and resort guests?</p>	<p>Open field</p>

Appendix B.

Question Guide

Business and Participant Profile

This section of the interview is to understand more about you and your business.

- 1) What is your role at (business name)? (Owner, manager, CEO, etc.)
- 2) How long have you been in that role?
- 3) Before your current role, what was your profession? (Previous business experience, education)
- 4) What type of primary business is (business name) in? (Majority of your sales?)
- 5) Does (business) include any secondary types of business?
- 6) Is there a certain demographic that your business is targeting?
- 7) Who is your main clientele? (May differ depending on season; i.e. country of origin, age, travel companions, lifestyle)
- 8) How long has (business) been in operation?
- 9) How long has (business) been located at its current address?
- 10) Has (business) ever moved location within Whistler? (If so, what was reason for the move?)
- 11) Just to get an idea of the size of the business; how many employees does (business name) employ? (# FT/PT/Seasonal)
- 12) What type of ownership structure does (business) have?
- 13) Who makes decisions about the business strategy at (business)?

Whistler Retail Environment

This section of the interview is to get an understanding of Whistler's retail environment as a whole and the types of challenges and opportunities for Whistler's retailers. Where challenges do exist, we want to identify ways to overcome them.

- 14) Do you see any opportunities for innovation within Whistler's retail environment?
- 15) What are some of the challenges for retailers in Whistler; and what could retailers do to overcome some of these challenges?
- 16) In what areas do you think Whistler could improve the guest experience – specifically relating to retail mix?

- 17) Who should be responsible for implementing?
- 18) What type of policies, programs or initiatives do you think will help Whistler's retail sector be more resilient?
- 19) What would you like to see in terms of an action plan for Whistler's retail mix?

Consumer Trends

Retail is a constantly evolving industry. Stores and restaurants are always reinventing themselves to align with customer demands and stay ahead of the competition. This section of the interview is to get a better understanding of Whistler's customers, including their expectations and ideal retail mix.

- 20) Through your personal experience, how have you noticed customer demands changing?
- 21) What do you think is most important for an excellent shopping experience?
- 22) In general, what do you think contributes to an excellent shopping experience?
- 23) What types of things do you currently do, in the areas you mentioned, to attribute to an excellent experience for Whistler guests?
- 24) What type of things would you do differently in the areas you mentioned to improve or enhance guests shopping experience?

Innovation

Retailers are constantly innovating and changing how they do business. This section is to understand the opportunities for innovation within Whistler's retail environment and any innovative practices you are currently using in your business or plan to use.

- 25) Do you see any opportunities for innovation in your business?
- 26) What types of innovation are you already using or do you plan on using?
- 27) Are there any innovative practices you would like to initiate, but have something preventing you?
- 28) How would you overcome the obstacle you mentioned?

Business Development

This section of the interview is to understand how your business is doing, what some of your key challenges and opportunities are, and how you envision your business developing in the future.

- 29) What type of business/strategic plan do you have?

- 30) What types of things are described in your business plan?
- 31) How do you think your business is currently performing (compared to last year, or the last few years)?
- 32) What do you think are the key drivers affecting this change in your performance?
- 33) What are some of your key challenges?
- 34) What are you currently doing to address your business challenges?
- 35) What types of support can help you address challenges your business faces?
- 36) How do you envision your business evolving in the next 5 years?