

2021 Business Climate

Survey Report

November 2021

Insightrix Research

BACKGROUND AND OBJECTIVES

In September 2021, the City of Lloydminster (hereinafter referred to as the City) contracted Insightrix Research Inc. (Insightrix) to conduct a business climate survey with Lloydminster businesses. The overall goal is to capture feedback from a cross-section of businesses related to economic development. The City has conducted this business survey annually since 2019 to assess where investment and prioritization is needed to grow, diversify, retain and expand existing businesses.

METHODOLOGY

The City and Insightrix worked together to develop a survey instrument to meet the research objectives. The City provided Insightrix with a list of business contact information, and businesses were contacted by telephone to participate in the study. Home-based operations and non-profit organizations were excluded from the study, and quotas were set by business size and industry to ensure no single type of business dominated the respondent mix.

A total of 100 businesses completed the survey between October 6 and October 26, 2020. The response rate for this study is 20%, and the margin of error is ±9.8 percentage points at the 95% confidence level.

REPORTING NOTES

- Data have been rounded to zero decimal places, and as such, percentages may not add up to precisely 100% on some graphs.
- Open-ended questions have been themed and coded into categories. The percentages from individual codes could total more than 100%, as comments from each respondent could be relevant to more than one code.
- Questions that have multiple response options will result in percentages that could add up to more than 100%.

EXECUTIVE SUMMARY

Key Findings

- Satisfaction with the City increased in 2021. The business licensing process, support from residents and the availability of space for rent or lease elicited the strongest approval. Moreover, most decision-makers endorse the Think Lloyd First campaign.
- The COVID-19 pandemic continues to have a significant impact on businesses. More than three in ten decision-makers claim their revenue decreased since the previous year and most consider it the biggest challenge they have faced so far.
- Being a border city is Lloydminster's most cited strength, but it's also its most cited challenge. Decision-makers claim they have difficulties attending both provinces' regulations. Another challenge is the economic fluctuations of the mining, oil and gas industry. To overcome this challenge, diversifying the industrial sector by attracting new businesses and improving the infrastructure, especially roads, are the most mentioned focus areas.

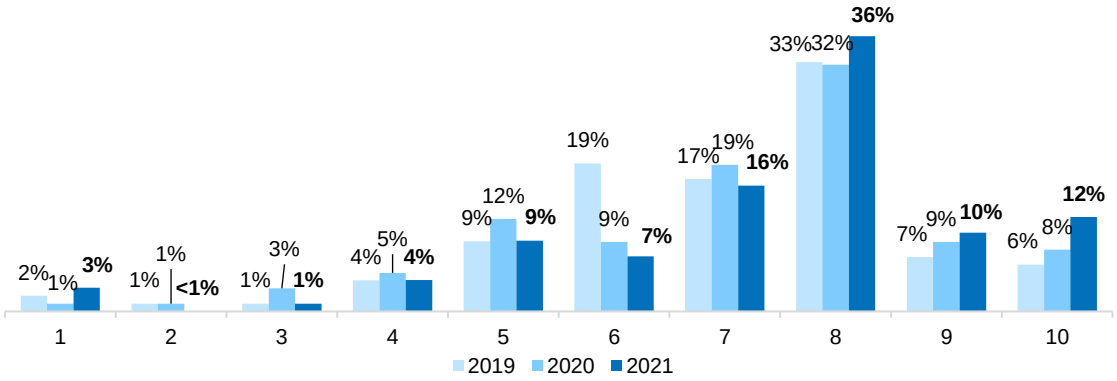
Opportunities

- The Think Lloyd First campaign was a success, being endorsed by most decision-makers. Continue to foster the buy-local mentality.
- Laying off employees and using federal or provincial support programs are some of the actions businesses take to mitigate the economic impacts of the COVID-19 pandemic. Supporting those former employees and companies in accessing Provincial and Federal funding is advised.
- Consistent with previous years, decision-makers expressed concerns about the economic dependence on only one type of industry: mining, oil and gas. Consider incentives to attract other industries, thus increasing the number of businesses in different economic sectors. Additionally, city amenities could be improved and advertised to entice outside workers.
- Regulatory differences between Alberta and Saskatoon raise frustration. Continue working with the Alberta and Saskatchewan governments to foster a greater regulatory convergence.

SATISFACTION

Ratings of Lloydminster as a place to do business reached their highest marks since the tracking began in 2019. Decision-makers of larger companies are more satisfied than those of smaller ones. However, this result should be interpreted with caution due to the low number of responses from the former.

Lloydminster as a Place to Do Business



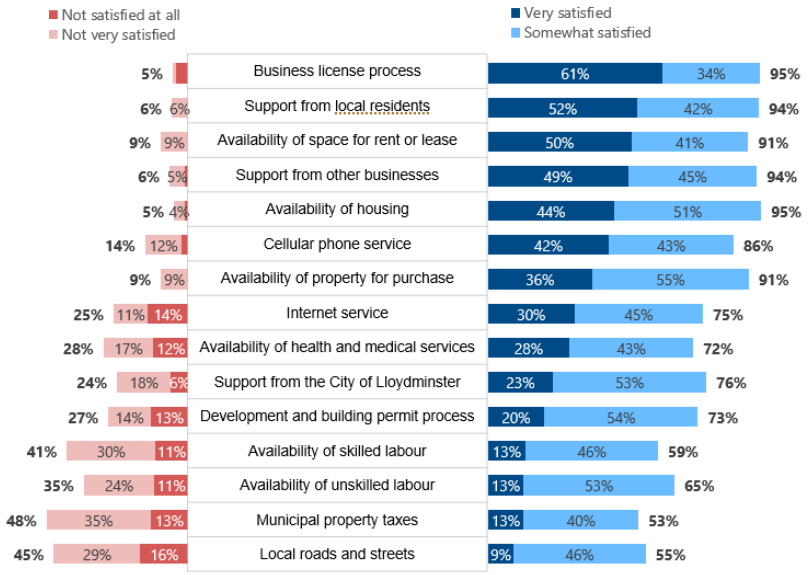
Base: All respondents excluding “Don’t Know,”, 2021: n=97; 2020: n=99; 2019: n=98.

RATINGS BY YEAR	2019	2020	2021
High ratings (8, 9, 10)	46%	49%	**59%**
Low ratings (1, 2, 3)	4%	5%	**4%**
Average rating overall	6.9	7.0	**7.3**

RATINGS BY COMPANY SIZE (2021)	1 to 49 employees (93)	50 employees or more (4)
High ratings (8, 9, 10)	58%	75%
Low ratings (1, 2, 3)	4%	0%
Average rating overall	7.3	8.8

Satisfaction With Specific Areas of Doing Business in Lloydminster

The business licensing process, support from residents and the availability of space for rent or lease continue to be the three areas of strongest satisfaction. However, approval of availability of skilled labour, municipal property taxes, roads and streets is comparatively weaker. Less businesses are satisfied with the availability of labour (both skilled and unskilled) in 2021 compared to previous years.

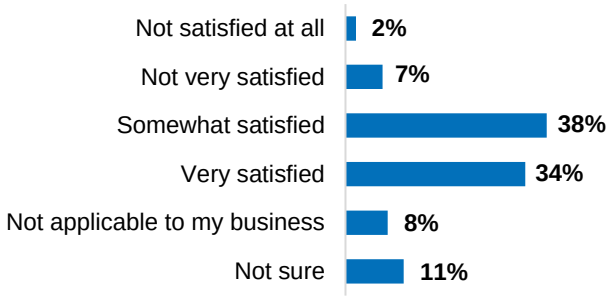


Base: All respondents excluding “Not sure” and “Not applicable to my business,” 2021: n=56-100; 2020: n=54-100; 2019: n=61-100.

SATISFIED NET BY YEAR	2019	2020	2021
Business license process	94%	95%	**95%**
Availability of housing	97%	98%	**95%**
Support from local residents	97%	98%	**94%**
Support from other businesses	98%	96%	**94%**
Availability of space for rent or lease	94%	99%	**91%**
Availability of property for purchase	88%	97%	**91%**
Cellular phone service	86%	87%	**86%**
Support from the City of Lloydminster	79%	80%	**76%**
Internet service	76%	69%	**75%**
Development and building permit process	79%	76%	**73%**
Availability of health and medical services	80%	79%	**72%**
Availability of unskilled labour	82%	88%	**65%**
Availability of skilled labour	70%	77%	**59%**
Local roads and streets	59%	54%	**55%**
Municipal property taxes	52%	52%	**53%**

Think Lloyd First (Shop Local) Campaign (2021)

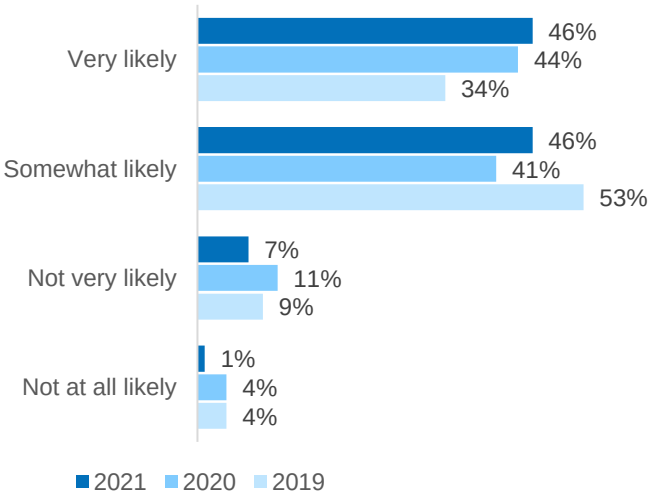
Think Lloyd First campaign is endorsed by most decision makers.



Base: All respondents, n=100.

Likelihood to Recommend Lloydminster

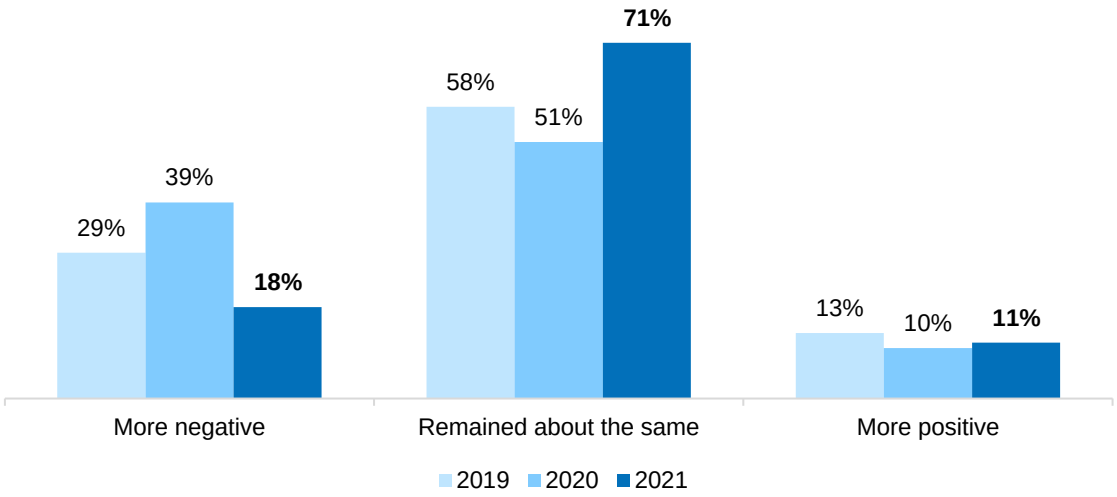
More than nine in ten decision-makers would likely recommend Lloydminster as a place to do business. In line with this result, roughly seven in ten state their attitude toward doing business in Lloydminster has remained about the same over the past year, a large increase compared to 2020.



Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

RECOMMENDATION BY YEAR	2019	2020	2021
Likely NET	87%	85%	**92%**
Not likely NET	13%	15%	**8%**

Attitude Toward Doing Business in the City



Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

STRENGTHS AND CHALLENGES

Strengths of Operating a Business in Lloydminster

Lloydminster's location on the Alberta-Saskatchewan border remains the most frequently cited strength of doing business in the city. The small community feel and the mining, oil and gas industry are also mentioned, but to a lesser extent.

STRENGTHS OF OPERATING A BUSINESS IN LLOYDMINSTER	2019	2020	2021
Border city/location	23%	29%	**36%**
Small community feel	11%	20%	**18%**
Diverse economy	10%	11%	**16%**
Mining, oil and gas industry	15%	15%	**14%**
Good client base	11%	9%	**13%**
Population	10%	10%	**10%**
Negative comments	7%	7%	**9%**
Product/have what people need	19%	7%	**6%**
No PST/taxes	NA	5%	**5%**
Consistent work	3%	3%	**1%**
Other	6%	7%	**8%**
Nothing	4%	6%	**2%**
Don't know/no comment	21%	13%	**11%**

Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

We are a border city. We are saving the Saskatchewan tax.

The easy shipping to two major hubs. We are centrally located between Edmonton and Saskatoon.

There is a small town feeling even though it is a large center. It is more diverse than one would think.

It is a small community, so word-of-mouth is helpful, and has pretty good resources, like the Startup Lloyd. It helps businesses get on their feet.

We are lucky to have oil and agriculture to support our trade area.

Regarding our oil and gas, it is positive to this town. We provide trucks for oil rigs and customers.

There are amenities to grow the business. The population is a plus here. There is potential growth for our company.

The single tax. It is in the heart of the oil and farming community. It is a close-knit community, and everyone knows each other.

Challenges of Operating a Business in Lloydminster

The state of the mining, oil and gas industry has not been identified as the most important challenge of operating a business in Lloydminster as in previous years. In 2021, decision-makers pointed out the Lloydminster's location at the Alberta-Saskatchewan border as the major challenge.

CHALLENGES OF OPERATING A BUSINESS IN LLOYDMINSTER	2019	2020	2021
Border city/location	11%	14%	**23%**
Government(s) regulations	22%	17%	**21%**
Mining, oil and gas industry	26%	35%	**13%**
Finding workers	9%	7%	**13%**
Economic downturn	37%	25%	**10%**
Taxes	13%	13%	**9%**
People not shopping locally	10%	9%	**6%**
Declining population	12%	4%	**6%**
Competition	13%	6%	**5%**
COVID/pandemic	NA	4%	**5%**
Lack of economic diversity	2%	13%	**3%**
Cost of doing business	8%	9%	**3%**
Parking issues	3%	1%	**1%**
Other	8%	9%	**6%**
Nothing	3%	3%	**6%**
Don't know/no comment	4%	4%	**6%**

Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

The federal government prefers to burn Sadia Arabia oil than ours. They don't see it as available.

The roller-coaster of the oil industry. Supply and demand are a constant roller-coaster ride.

The economy right now is tied to oil and gas. Even if your business isn't in oil, it is tied.

The economy. The government with their climate change policies. Also. I would say the cost of living.

It is the provincial challenge. We operate on the Alberta side and the Saskatchewan side. I feel there is a disconnection between the two provinces and two different regulations.

The split of Alberta and Saskatchewan, the different rules. You have to keep explaining why you have no PST and the other provincial rules. Our hospital is on the Saskatchewan side, so you get your vaccine card, and the Alberta Government doesn't know about it.

We have a problem with shipping supplies. Our transport system is small. If it costs me more to bring it in, then I charge my customers more.

The vaccine passports are a problem for our business. There is a problem finding workers because they don't have enough incentives. Municipal level city mayor and council can do more to help in that area.

Key Focus Areas

Respondents provide a wide range of areas where the city should focus. Attracting more industries, promoting “buy local” attitudes and improving roads and traffic are the most commonly mentioned focus areas.

KEY FOCUS AREAS	2019	2020	2021
More industries/economic development	20%	19%	**17%**
Advertise/support local business	10%	14%	**13%**
Road maintenance/traffic flow improvements	19%	13%	**13%**
Stimulate/encourage larger work pool/population	5%	7%	**12%**
Tax breaks	11%	14%	**8%**
Infrastructure development (general)	8%	6%	**5%**
Health services	5%	5%	**4%**
Public transportation	4%	2%	**4%**
Revitalize downtown	5%	2%	**1%**
Improve parking	4%	0%	**1%**
Other	7%	8%	**6%**
Nothing/already addressed	2%	10%	**8%**
Don’t know/no comment	29%	22%	**25%**

Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

That's a tough one. Make it a better place to live, with more amenities and parks to draw people to live here.

I don't know what the city can do. It is a bigger topic than just the city. I love the shop local campaign and the chamber of commerce. I am a member, and they are helpful. Increase public awareness about that, and make sure there are good health treatment and security so that everyone can walk around.

Reduce taxes. Improve road conditions. Fix the railway problem. Fight against the vaccine passport.

Less taxation and more public transportation.

Just keep working on the downtown revitalization.

More industries. It will be helpful to create more jobs. Start some nice developments for people living in the suburbs, so they are motivated to come to the city.

Just ensuring infrastructure and property taxes are better managed. I understand it takes money to maintain infrastructure. In the last two years, our revenues have decreased due to Covid, and our overhead expenses went up 40 percent.

Maintenance for roads and sidewalks, so it's easier for customers to get around. Traffic is hectic around noon to five. Provide bus services.

Key Suppliers or Customers to Attract

Mining, oil and gas continues to be the industry most decision-makers would like to attract to Lloydminster. They also mention construction and wholesalers frequently. More than two in ten decision-makers express a desire for a general increase in the number of Lloydminster's residents instead of identifying specific types of people they wish to see in the city.

KEY SUPPLIERS OR CUSTOMERS TO ATTRACT	2019	2020	2021
People NET	28%	25%	**38%**
Anybody/all	15%	13%	**23%**
Tourists	4%	2%	**5%**
Young	4%	1%	**2%**
Families	4%	1%	**1%**
Other people	8%	8%	**7%**
Business/Industry NET	58%	59%	**52%**
Mining, oil and gas	18%	20%	**13%**
Construction/new building	12%	10%	**9%**
Suppliers/wholesalers	10%	9%	**9%**
Business/commercial-general	10%	10%	**6%**
Trucking/transportation	5%	7%	**3%**
Health	3%	3%	**3%**
Costco	4%	2%	**3%**
Agriculture/farming	6%	1%	**3%**
Automotive/parts	4%	6%	**2%**
Manufacturing/fabrication	4%	4%	**2%**
Industrial-general	4%	3%	**1%**
Other business/industry	7%	4%	**6%**
None/Already have what we need	7%	15%	**9%**
Don't know/no comment	14%	12%	**13%**

Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

Highly educated professionals with a good health care plan.

Hair salons, spas, ethics or hair, anyone in the beauty industry would benefit us.

New business owners. People buying and selling their homes.

More oil field businesses. Any business that is a spin-off of energy businesses.

More like technical companies for computer programming.

Costco would help our business and far as other companies, probably any oil and gas upgraders. Transitional workers for the restaurant.

Heavy equipment repair. Most parts we order are very specific or brand-specific.

Probably companies with a lot of freight vehicles, with trucks like construction and paving companies.

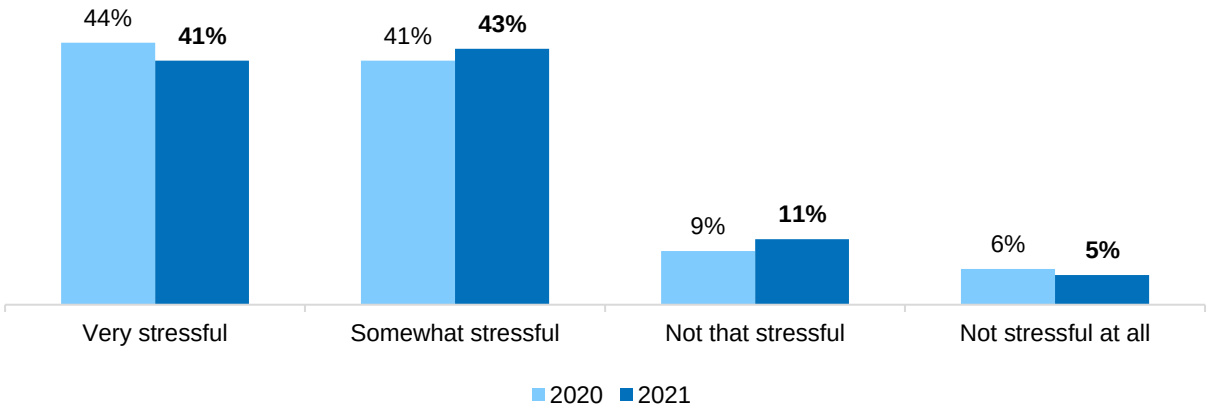
Again, the only thing that would attract more customers is marketing. I don't believe in governmental subsidies. I don't think they can do anything because it is all market driven.

Anyone visiting the town, business or travel, for accommodations. More attractions. A Costco, so people come for shopping.

COVID-19 Impact

Stress Level in Managing Business

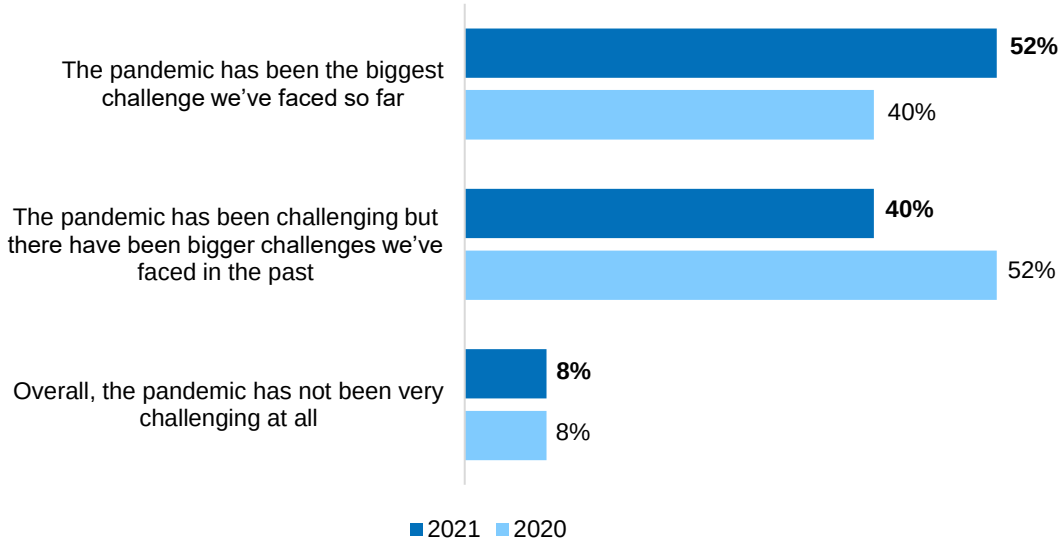
The level of stress about COVID-19 remains roughly the same.



Base: All respondents, 2021: n=100; 2020: n=100.

Covid-19 VS Other Organizational Challenges

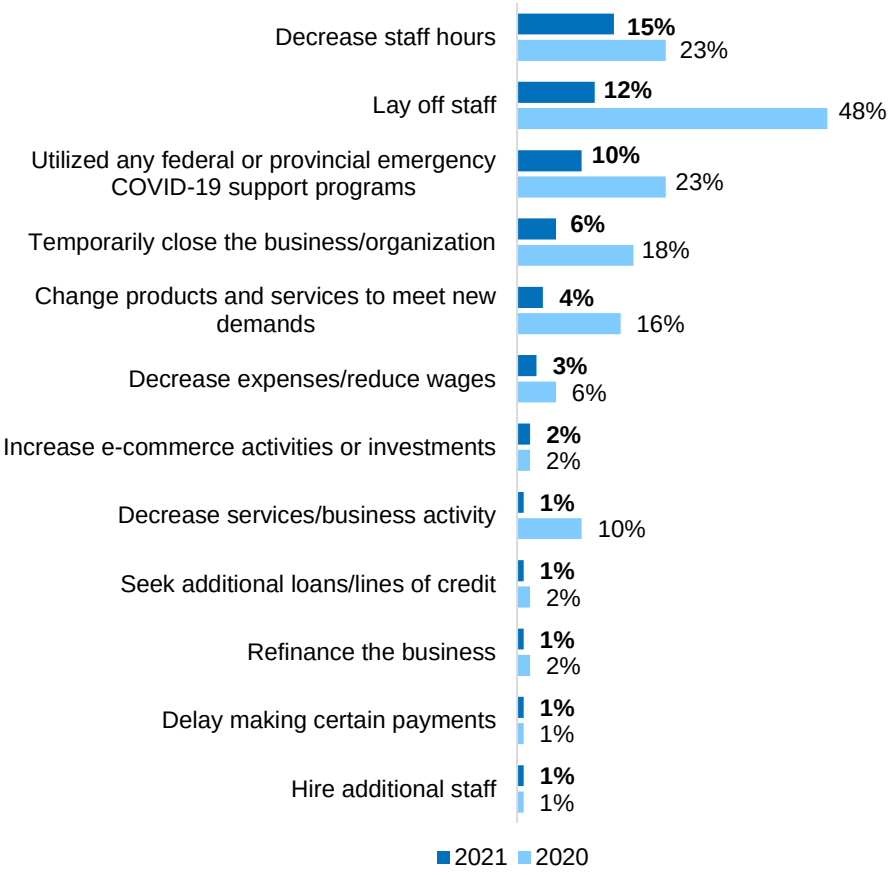
Most decision-makers consider the COVID-19 pandemic the biggest challenge they have faced so far.



Base: All respondents, 2021: n=100; 2020: n=100.

Actions to Mitigate Economic Impacts

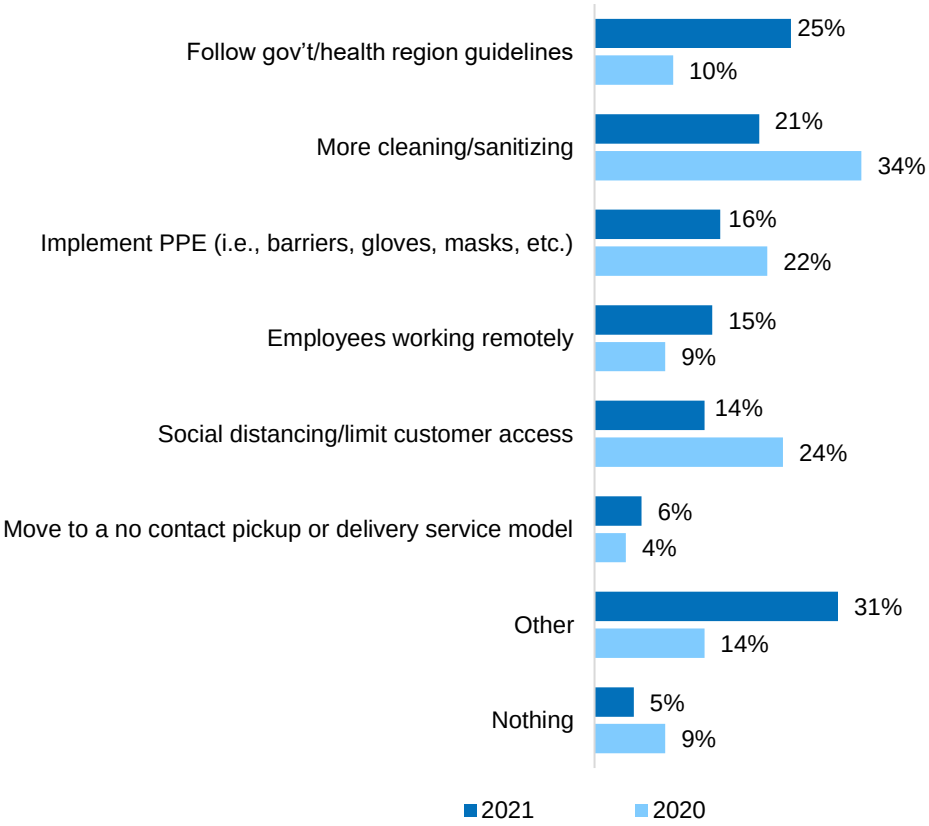
Decreasing staff hours, laying off staff and using federal or provincial support programs are some of the most suggested actions to mitigate the economic impacts of the pandemic.



Base: All respondents, 2021: n=100; 2020: n=100.

Actions To Protect Employees and Customers Against COVID-19

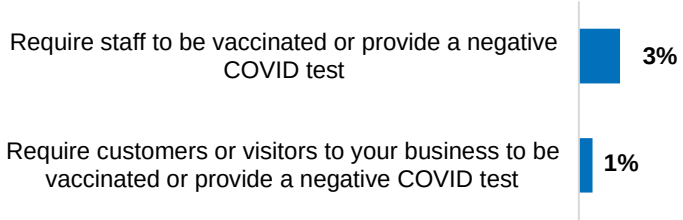
The most common coronavirus prevention measure taken by decision-makers is following the government guidelines to protect employees and customers against COVID-19.



Base: All respondents, 2021: n=100; 2020: n=100.

Actions Regarding Immunization (2021)

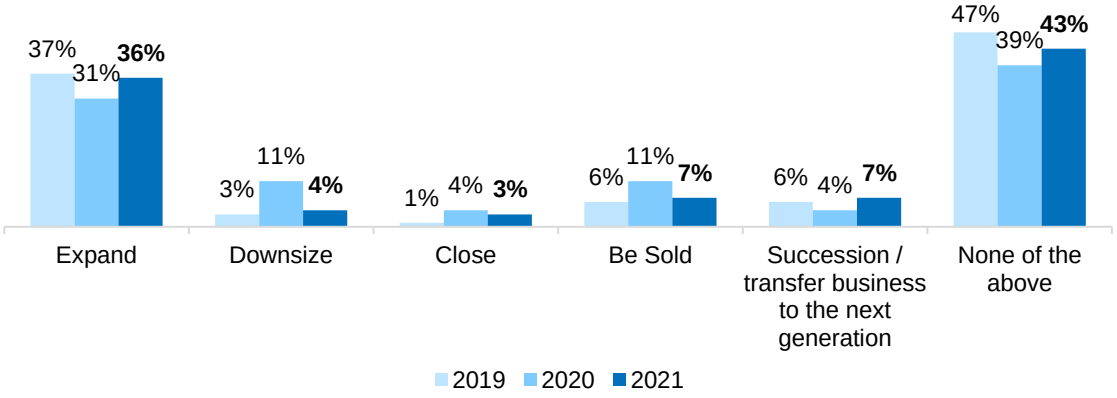
Few decision-makers require staff to be vaccinated or provide a negative COVID test. An even lower percentage require vaccine passports or negative tests from their customers or visitors.



Base: All respondents, 2021: n=100.

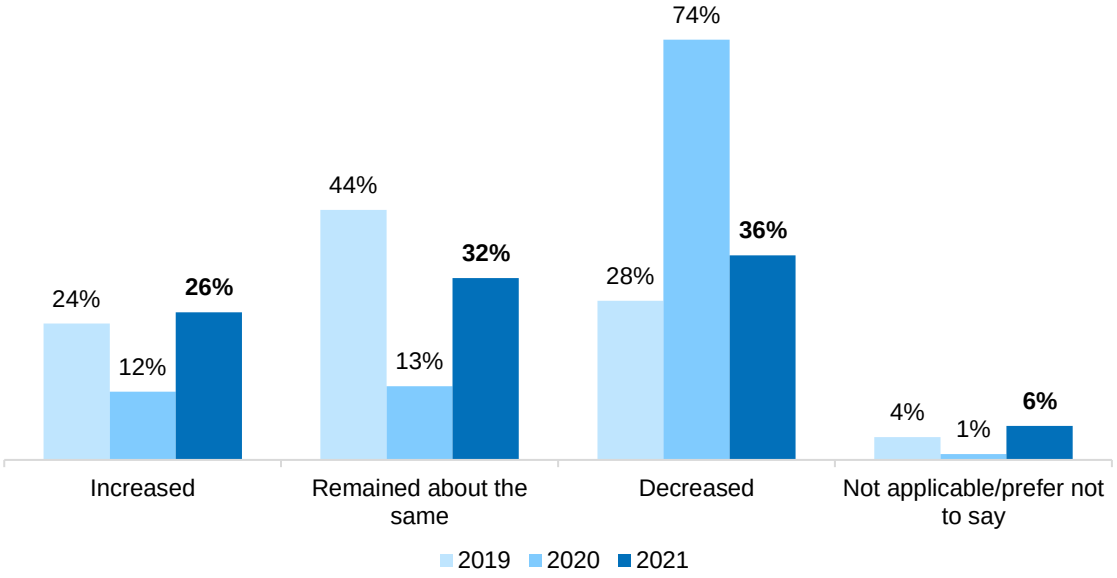
Anticipated Changes Within the Next Two Years

After most of the population received immunization against COVID-19, more decision-makers anticipate business expansion than last year during the first waves of the pandemic. Less than four in ten claim their revenue decreased since the previous year as opposed to more than seven in ten in 2020.



Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

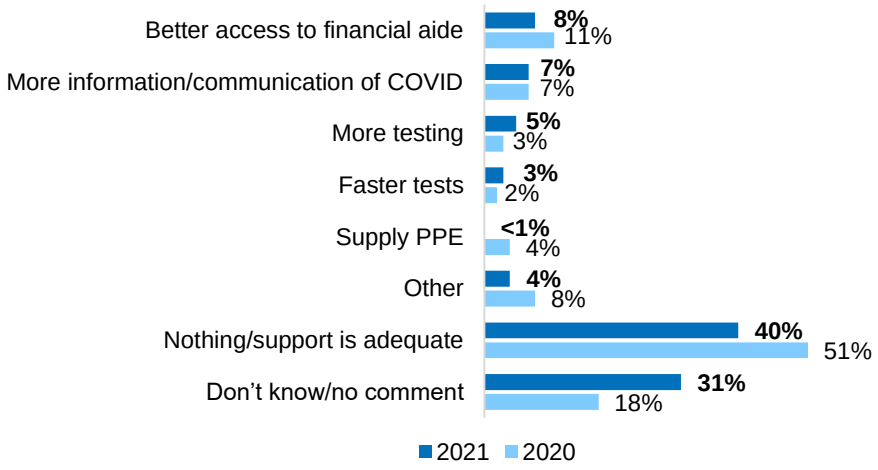
Business Revenue (Change Over the Last Year)



Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

Desired Covid-19 Support Services

Fewer decision-makers believe the City has provided adequate pandemic-related support or cannot think of any possible improvements compared to last year, whereas the number of those who don't know or have no comment increased. Better access to financial aid continues to be the most frequently mentioned suggestion.



Base: All respondents, 2021: n=100; 2020: n=100; 2019: n=100.

To help with Covid by forcing vaccinations, so we are not in this situation. Mandatory vaccinations. It would be helpful for smaller companies if they had support. And add extra financial support to tiny businesses.

We didn't receive any Covid support. We are in the firearm industry, and they would not give us any assistance.

We have a lot of issues with Covid and with accessibility in testing and Covid Tests. The testing sites are not super accessible, and the turnaround reporting time is poor.

A clear mandate for masking and passports. Riding between Saskatchewan and Alberta, no one knows what the rules are. The local government council should make hard decisions without waiting for their counterparts to do it for them.

Mobile vaccination clinics and mobile rapid testing.

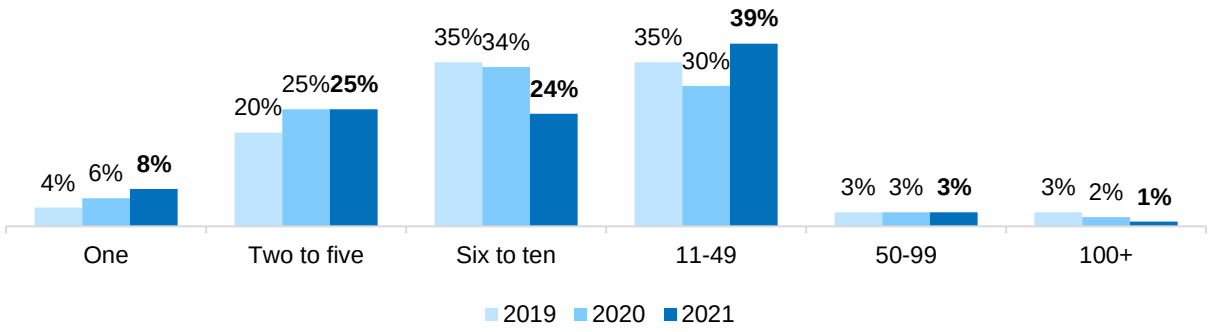
We need more support on our property taxes, insurance, electricity and the everyday.

Clear communications from the mayor and health service. They are good communicators whether the citizens obey that or not.

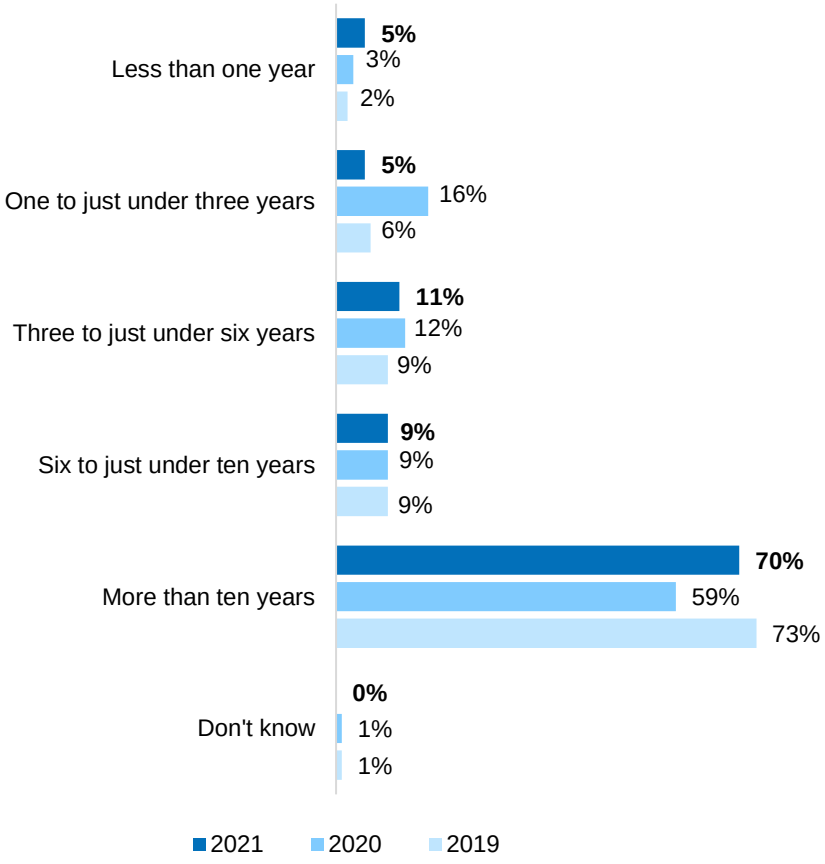
Everyone is fed up, and I don't know what to do anymore. No one knows how their businesses will be in 2022 or what the Government will do.

RESPONDENT PROFILE

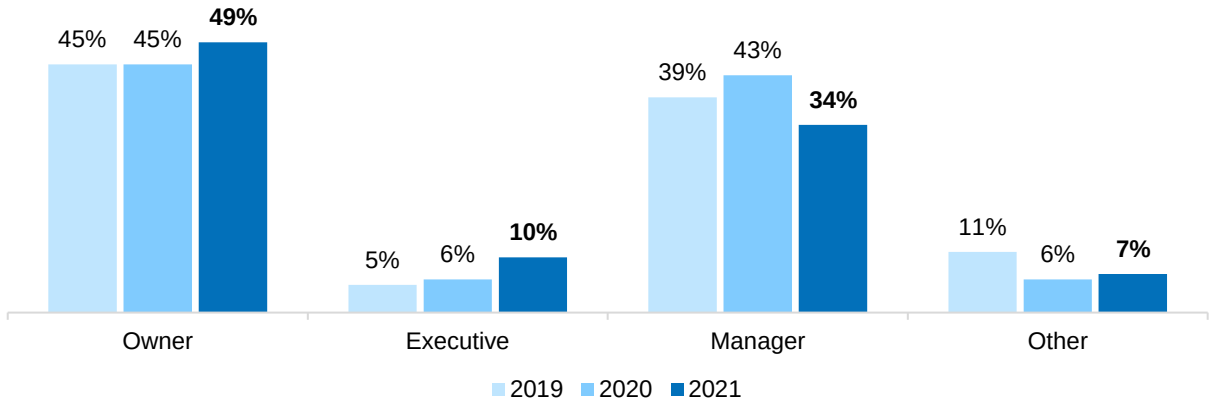
Number of Employees



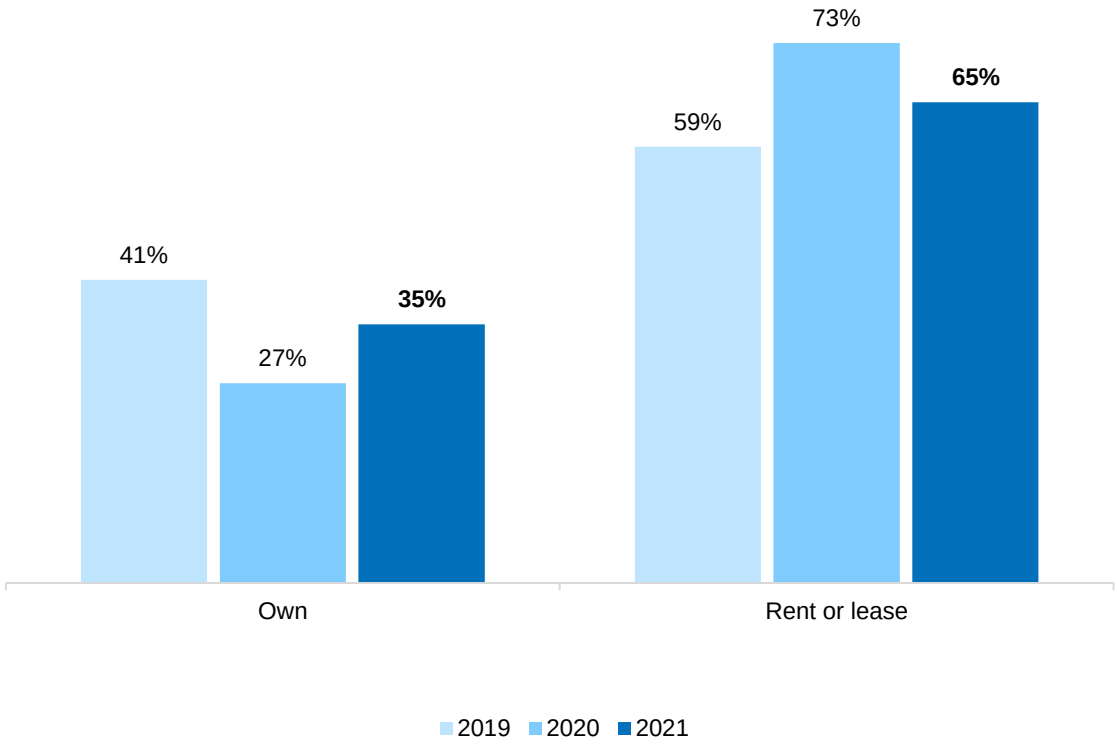
Years in Business



Respondent Role in Company



Business Property

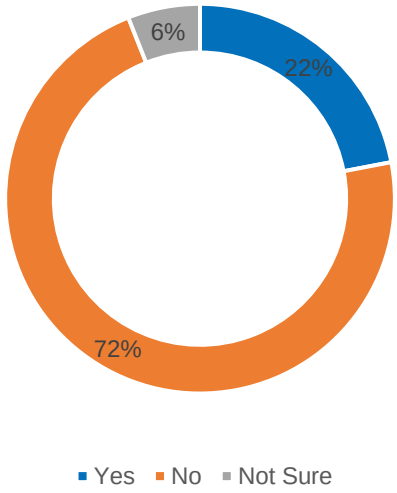


Industry

INDUSTRY (n)	2019	2020	2021
Service Provider	5	4	**18**
Retail	20	19	**18**
Professional services	11	10	**16**
Mining, oil and gas	16	19	**15**
Construction	14	7	**7**
Transportation	4	6	**7**
Manufacturing	3	2	**4**
Health care	4	5	**4**
Accommodations	11	7	**3**
Arts/Marketing	4	2	**3**
Entertainment	0	1	**2**
Agriculture	1	0	**1**
Real estate	1	3	**0**
Wholesale	1	1	**0**
Information and culture	1	0	**0**
Utilities	1	0	**0**
Other	3	14	**2**

APPENDIX

Business Expansion Plans Outside Own Home (Within the Next Three Years)



Base: All respondents whose businesses are home-based, n=50.
*Home base-based businesses not included in other survey results.