



# **Beverly Hills Retail Behavioral Study for 2006 Executive Summary**

Anita Zusman Eddy  
Director Economic Development & Governmental Affairs  
Beverly Hills Chamber of Commerce  
239 S. Beverly Drive  
Beverly Hills CA 90012

Dear Ms. Zusman Eddy:

We are pleased to present this executive summary of the research study of Beverly Hills Retail activity and behaviors.

The report presents the survey results in narrative and tabular form and reflects conditions of the marketplace existent during our fieldwork.

Please feel free to contact me should you have any questions, comments or concerns about any aspect of the report. We value and appreciate the opportunity to have assisted you, the Chamber of Commerce and the Beverly Hills community on this most worthwhile project.

Sincerely,



Lauren Schlau  
Principal

900 Wilshire Blvd., Suite 1116, Los Angeles CA 90017  
phone: (213) 533-8909 fax: (213) 489-1009  
e-mail: [laurens@lsconsult.com](mailto:laurens@lsconsult.com) website: [www.lsconsult.com](http://www.lsconsult.com)

**SECTION 1 - EXECUTIVE SUMMARY OF FINDINGS**

The key findings from the 2006 Beverly Hills Retail Behavior Study are summarized below and shown in Table 1 on the next page.

- Overall, 1,400 retail outlets are located in all of Beverly Hills that generated \$1.7 billion in total retail sales in 2006.
- This study accounted for \$1.3 billion of Beverly Hills retail sales or 76% of the total retail sales, in that it focused in the Beverly Hills Triangle and adjacent areas<sup>1</sup> and excluded certain retail categories.<sup>2</sup> Including retail taxes and meal/beverage tips, total sales reached \$1.45 billion.
- The study estimated average spending, for those who did and did not spend, of per-patron group and per-person for each trip taken to Beverly Hills. An overall average of \$622 was spent in Beverly Hills per-patron<sup>3</sup> *group* per-trip, or an average of \$312 per-*person* per-trip.
  - Of this total, each group that resides in Beverly Hills spent just over \$500 or \$281 per-person per-trip.
  - Los Angeles County residents spent \$784 per-group or \$493 per-person per-trip.
  - Among those residing out of the area, \$668 was spent per-group, or \$277 per-person per-trip.
- In terms of shopper volume, this study uses the basis of “patron trips.” A patron trip is the number of times patrons came to Beverly Hills during the year. For example, if a group of three friends visited Beverly Hills 12 times during the year they would account for 36 patron trips.
  - All patrons to Beverly Hills made a total of 4.6 million trips in 2006.
  - Of this total, Beverly Hills residents accounted for nearly 1.8 million trips, nearly 39% of the total trips.
  - Los Angeles County residents made 722,200 trips, or 16% of the total.
  - Non-local patrons accounted for 2.1 million trips or 46% of the total.

---

<sup>1</sup> This study covered the Triangle, Wilshire Boulevard department stores, South Beverly Drive and South Robertson Boulevard.

<sup>2</sup> Our analysis excludes 100% of sales for autos and supplies, building/farm materials, and service stations, and 50% of sales for food stores and home décor, all of which combined accounted for \$400 million in annual retail sales (excluding retail sales taxes which retailers do not report to the California Board of Equalization).

<sup>3</sup> The terms “patron” and “visitor” as used in this report represent anyone in the Beverly Hills areas covered in this study for retail related activity (excluding the categories listed above) who did or did not spend money.

**Table A– Summary of 2006 Retail Spending and Patron Volume in Beverly Hills**

(including sales taxes and tips)

	Total	Residence		
		Beverly Hills	L.A. County	Non-Local
Spending Per-Person Per-Trip	\$ 312	\$ 281	\$ 493	\$ 277
Spending Per-Group Per-Trip	\$ 622	\$ 506	\$ 784	\$ 668
Spending Total	\$1,447,683,000	\$ 500,898,000	\$ 356,128,000	\$ 590,657,000
Ratio of Spending	100.0%	34.6%	24.6%	40.8%
Est. Annual Patron Trips	4,634,189	1,782,414	722,223	2,129,552
Ratio of Patron Trips	100.0%	38.4%	15.6%	46.0%

Source: CIC Research, Inc. and Lauren Schlau Consulting

- The total spending generated approximately \$13 million in total annual retail sales taxes to the City of Beverly Hills.
- About 95% of all patrons to Beverly Hills shopped/browsed in the city in the past year; 94% ate or had a drink out, 86% were sightseeing/walking around Beverly Hills, and 78% socialized with friends and family in Beverly Hills.
- The main reasons for liking to shop in Beverly Hills included: 51% who like the walkable “village” atmosphere, 45% perceive Beverly Hills as close to home/convenient, 43% enjoy the city’s luxury environment, 30% feel the shops are unique/different,
  - The walkable “village” atmosphere and being close to home were preferred reasons cited particularly by Beverly Hills residents.
- Each Beverly Hills resident group took 100 (median)<sup>4</sup> annual trips to Beverly Hills, about two trips per week.
- By purchase category, patrons spent the most on jewelry, watches, and gems, followed by leather goods/luggage/purses/ accessories, appliances/electronics, home décor/furnishings and women’s and men’s clothing.
- International patrons exhibited certain unique behaviors. More were encountered at 2 Rodeo than at any interviewing location. Nearly all of these visitors were in Beverly Hills mainly to shop or browse, and to eat or have a drink out. They spent more hours than other groups in Beverly Hills on their shopping experience.
- The top four shopping locations (among Beverly Hills and L.A. County residents only) were Beverly Hills, the Beverly Center, The Grove and Century City.

<sup>4</sup> The median (midpoint) is used to measure annual trips to minimize the skew from a few who may have made an extreme number of visits.

- Beverly Hills was patrons' preferred shopping destination for a range of retail categories, including: women's children's and men's clothing, beauty/ cosmetics, salon/spa services, gourmet foods and wine, jewelry/watches, leather goods, and footwear.
  - Beverly Hills was also the top preferred area for holiday shopping.
  - Beverly Hills was second only to the Beverly Center for department store shopping.
- Of those surveyed 8 in 10 or 80.4% were "Extremely" or "Very Satisfied" with Beverly Hills as a shopping destination. The very few who expressed dissatisfaction perceived the area was "too expensive/poor value" or "too congested".
  - Demographically, patrons averaged about 40 years old, 40% to 50% were married, just over one-half were female and the overall average annual household income was \$184,000, well above the local or national average.
    - Patrons who were Beverly Hills residents were slightly older, with far higher average annual household income than any other segment.

Observations based on the survey results are as follows:

- Beverly Hills' retail sector is vibrant and relatively balanced in terms of capturing shoppers that reside within Beverly Hills, the Los Angeles region, and significantly from throughout the United States and foreign countries.
- Repeat patronage is very high particularly among Beverly Hills residents, who shop and/or eat out in Beverly Hills an average of two times per week.
  - Los Angeles County residents average about three trips per month to the city.
  - Beverly Hills residents like the convenience of shopping close to home and the types and goods and services available in the city
- In general patrons like the city's walkability and village atmosphere; it's a pleasant place to walk around and in which to shop or dine out and offers a quantity and level of goods and services not found elsewhere in Southern California.
- Patron spending is distributed across various retail categories with a concentration on general merchandise, specifically department store items as well as other retail such as jewelry and apparel. Patrons also spend on meals and beverages out and for health and beauty products and services.

- Beverly Hills is the preferred place among regional patrons for a majority of the types of categories and/or items they seek.
- The City is also rated as better than or comparable to other shopping destinations through the United States and the world.

In conclusion, Beverly Hills is singularly unique, combining a pleasant walkable village atmosphere with a luxury level of goods and services that people want and expect.

Beverly Hills offers patrons a concentrated collection of name brands and outlets arguably found nowhere else and as a result attracts patrons from around the world. Patrons visit Beverly Hills to purchase goods and services that they need and want, as well as to have this experience in Beverly Hills' singular luxury village atmosphere. Given their high levels of satisfaction, many patrons act as "marketing ambassadors" telling others about their experiences and purchases in Beverly Hills.

As virtually all amenities offered in Beverly Hills, including retail shops, restaurants, spas, personal services and hotels among others, are world-class quality level, Beverly Hills is known for and delivers a consistent and authentic brand experience.

## **SECTION 2 STUDY OVERVIEW AND METHODOLOGY**

### **Overview**

The Beverly Hills Chamber of Commerce commissioned a study to quantify the economic contribution and the composition of Beverly Hills' retail patrons. The data and information gathered over a one year study period are useful to the Chamber and other stakeholders for various economic, marketing and business development purposes.

The terms "patron," "shopper" or "visitor" include any local resident or non-local visitor responding to the survey who was in Beverly Hills to shop, eat out, for a personal service or other retail-related activity whether or not goods or services actually were purchased.

### **Approach**

The results cover the year 2006 focusing on two main areas: an economic and fiscal impact analysis of Beverly Hills' patron sales and patron profiles.

A total of 828 interviews were completed via on-site random intercepts conducted by professional interviewers during four interviewing “waves” throughout the year as shown in the table below. The first interviewing “wave” was conducted in Spring, late May and early June; Wave 2 in Summer, late July/early August, Wave 3; the Fall, late September/early October; and the final Wave 4 in mid-December to capture holiday shoppers.

**Table B – Number of Completed Interviews Each Wave**

	Total	Wave			
		Wave 1 Spring	Wave 2 Summer	Wave 3 Fall	Wave 4 Winter
<b>Base: Total Respondents</b>	<b>828</b>	<b>201</b>	<b>187</b>	<b>206</b>	<b>234</b>

The sample of 828 respondents has a margin or error of  $\pm 3.5\%$  for responses at 50%; this variance declines at percentage response rates away from 50%.<sup>5</sup>

The interviews were conducted in selected highly trafficked Beverly Hills retail areas mainly concentrated within and adjacent to the “Triangle” area and other areas shown in the following table, which also compares respondents by residence area.

**Table C– Location and Number of Completed Interviews**

Location (block)	Total	Residence				
		Beverly Hills	LA Co.	Calif.	Other US	Int'l.
<b>Base: Respondents</b>	<b>828</b>	<b>167</b>	<b>222</b>	<b>122</b>	<b>137</b>	<b>180</b>
N. Beverly Drive	16.2%	15.6%	22.1%+	13.1%	16.8%	13.3%
S. Beverly Drive	12.8%	14.4%	10.4%	13.1%	9.5%	10.6%
<b>NET: Beverly Drive</b>	<b>29.0%</b>	<b>30.0%</b>	<b>32.5%</b>	<b>26.2%</b>	<b>26.3%</b>	<b>23.9%</b>
N. Rodeo Drive	13.4%	13.8%	10.8%	17.2%	12.4%	13.3%
2 Rodeo	7.8%	6.6%	5.4%	6.6%	10.2%	15.6%+
<b>NET: Rodeo Drive</b>	<b>21.2%</b>	<b>20.4%</b>	<b>16.2%</b>	<b>23.8%</b>	<b>22.6%</b>	<b>28.9%</b>
Wilshire Blvd.	12.4%	12.0%	12.2%	10.7%	13.1%	15.6%
N. Canon Drive	12.2%	12.6%	14.0%	12.3%	10.9%	9.4%
Santa Monica Blvd	9.0%	9.6%	9.5%	4.9%	10.9%	6.7%
South Robertson Blvd.	8.6%	9.6%	9.0%	9.0%	6.6%	4.4%
Dayton & Brighton	7.6%	6.0%	6.8%	13.1%	9.5%	11.1%

Note: This and all tables hereinafter are tested to 0.95 percent significance level.

+/- Indicates significantly higher/lower value compared to the 'Total'

<sup>5</sup> At 40% and 60% the variance is  $\pm 3.3\%$ ; at 30% and 70% it is  $\pm 3.1\%$ ; at 20% and 80% it is  $\pm 2.7\%$  and at 10% or 90% variance is 2.0%.

## Description of Beverly Hills Shopping Districts

To provide context for the results, the following briefly describes each subarea in which interviewing was conducted.

- **N. Rodeo Drive:** arguably the world's most famous and prestigious retail address with a highly concentrated collection of known and respected designers including Armani, Bulgari, Cartier, Dior, Escada, Gucci, Prada, Tiffany, Valentino, Versace, attracting the highest end clientele from within the region and around the world.
- **2 Rodeo:** its street within a street layout marrying old European charm with modern convenience and accessibility, Two Rodeo features an ensemble of select boutiques, restaurants and services including ultra luxury names such as Versace and Tiffany.
- **N. Beverly Drive:** a little less formal than the famed Rodeo Drive one block to its west, North Beverly is home to the flagship stores of national retailers including Crate & Barrel, Pottery Barn, The Gap, Banana Republic, Williams Sonoma, as well as Beverly Hills institutions such as Gearys of Beverly Hills, and Nate & Al's deli and The Farm restaurant.
- **S. Beverly Drive:** more moderately priced retail shops and casual eateries representing a more "local" Beverly Hills experience.
- **Wilshire Blvd.:** the region's most complete collection of upscale department stores featuring Saks 5<sup>th</sup> Avenue, Neiman-Marcus and Barney's of New York, as well as flagship stores for Niketown, St. John's and Façonnable.
- **N. Canon Drive:** one-of-a kind outlets such as Le Palais des Thea tea emporium and Smith & Hawken, Jimmy Au's men's store, several notable Italian restaurants including La Scala, Porta Via, Enoteca Drago, Il Pastaio, E. Baldi, as well as Coupa, a Venezuelan café and Mastro's Steak House
- **Santa Monica Blvd:** a blend of specialty food shops such as the immensely popular Sprinkles cupcake boutique, Pinkberry yogurt, Il Cono gelato, interspersed with unique cafes, clothing boutiques and services catering to a range of residents, employees and visitors.
- **Dayton & Brighton:** these smaller (east-west) streets are home to the flagship Grill on the Alley restaurant and other eateries as well as unique clothing boutiques, specialty jewelers, and categories such as fine stationery, perfumery, and a day spa.
- **S. Robertson Blvd.:** approximately one mile east of the Triangle area, South Robertson is known for upcoming trendsetters including Miele German appliances, Matt, Tom Stasinis, and Velazco's menswear and sportswear, Sara Sturgeon women's-wear, and For the Table and Linens et al home accessory shops.

The consultant team extends our appreciation to the Beverly Hills Chamber of Commerce, Economic Development Division, the City of Beverly Hills and others who facilitated the study.