

Coeur d'Alene and Sandpoint areas, largely as a result of increased Canadian traffic in the early 1990's.

This data clearly demonstrates the transformation of the retail industry within the Inland Northwest since the FTA. Historically, U.S. retailers have largely ignored Canadian shoppers. However, with the introduction of the FTA, NAFTA and the GST many retailers and communities have been jolted into recognizing a largely untapped market. While local retailers have been somewhat slower to respond, national retailers such as Walmart and Payless Shoe Source have been quick to gain access. Walmart has located new stores in Wenatchee, Omak and Colville over the past three years, and recently opened another in Sandpoint, Idaho (an event which our research allowed us to predict one year before the official announcement). Similarly, almost every Washington border town contains a Payless Shoe Source. To the economic geographer, this is a classic case of "interceptor ring theory": provide a wide selection of inexpensive merchandise on a major transportation artery between the customer (Canadian shoppers) and the nearest large retail center (Spokane/Coeur d'Alene) (Nelson, 1958).

In 1994 we conducted a survey of Canadian shoppers to better understand the cross border shopping phenomenon taking place within the region. A total of 380 questionnaires were distributed, 67 of which were returned giving us a response rate of 17.6%. Although Spokane was identified as the main shopping destination by Canadians, other cities were identified as shopping areas as Canadians travel to and from Spokane. These "intervening opportunities" included Colville, Post Falls and Coeur d'Alene. Thus, Spokane's historical prominence as a Canadian shopping destination is being challenged.