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Methodology statement: 2023 Retail Demand by Industry

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Table of contents

Methodology	4
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Methodology The Retail Demand by Industry database represents an extension to Esri's 2023 Consumer Spending (by product and service) estimates. Spending is estimated for all 12 three-digit North American Industry Classification System (NAICS) subsectors in Retail Trade (44-45) plus the Food Services & Drinking Places subsector (722). In addition, the data is available for 30 four-digit NAICS industry groups to provide additional detailed insight.¹

While Esri's Consumer Spending dataset provides a broad list of what households are likely to spend their budget dollars on, Retail Demand by Industry highlights where they are likely to spend it. In all, these estimates provide an alternative view of spending potential based on the industries where such market transactions may occur.

The core of the methodology starts with Esri's current year spending potential estimates by product and service. These estimates are modeled from the Interview and Diary survey data in the Bureau of Labor Statistics' (BLS) Consumer Expenditure Survey and Esri Tapestry Segmentation and current Esri household income estimates. For more information describing Esri's product-oriented database, refer to the Consumer Spending [methodology](#).

Retail Demand by Industry is based on a subset of retail and related products captured in Esri's Retail Goods product summary variable (X15001) in the Consumer Spending database. Industry estimates are modeled using a product-to-industry crosswalk from the 2017 Economic Census Products by Industry tables based on the [North American Product Classification System](#) published by the U.S. Census Bureau. The crosswalk links a portion of product expenditures to industries beyond NAICS 44-45 and 722. Therefore, spending associated with out-of-scope industries is not reported in Retail Demand, which means total industry expenditures will not equate to X15001 in the Consumer Spending database.

Retail Demand by Industry includes annual total industry expenditures, annual average industry potential spending per household, and an industry-specific Spending Potential Index (SPI). The total industry expenditures value represents the potential aggregate spending by all households within an industry in an area.

The SPI compares the average potential spending locally within an industry to the average potential spending nationally in that same industry. An index of 100 reflects the average. An SPI of 120 indicates that average potential spending by local consumers is 20 percent above the national average.

¹ Industry definitions used in this product are based on the 2017 NAICS coding structure. More information on this taxonomy can be found here: <https://www.census.gov/naics/?input=44&chart=2017>

It serves to remind data users of the limited scope of the BLS survey data used as the primary input to develop spending potential estimates. For example, the Personal Consumption Expenditures data published by the Bureau of Economic Analysis covers a broad range of the U.S. population, source data, and spending channels. While the BLS survey is based on a sample of the civilian noninstitutionalized population in households. Hence, Esri's estimates of goods and services do not represent a measure of market size. They instead should be analyzed as a measure of budget allocation. Specifically, given the income of a typical household in an area, Esri's potential spend by product provides the expected distribution of annual budget dollars attributable across more than 700 spending categories.

The Retail Demand by Industry data is available by Esri's [geographic summary areas](#) and for custom areas using the ArcGIS GeoEnrichment Service to apportion the data to polygons of any size and shape. Data is reported for the following NAICS industry subsectors and groups with industry code:

Industry Code	Definition
441	Motor Vehicle & Parts Dealers
4411	Automobile Dealers
4412	Other Motor Vehicle Dealers
4413	Auto Parts, Accessories & Tire Stores
442	Furniture and Home Furnishings Stores
4421	Furniture Stores
4422	Home Furnishings Stores
443, 4431	Electronics and Appliance Stores
444	Building Material & Garden Equipment & Supplies Dealers
4441	Building Material and Supplies Dealers
4442	Lawn and Garden Equipment and Supplies Stores
445	Food and Beverage Stores
4451	Grocery Stores
4452	Specialty Food Stores
4453	Beer, Wine, and Liquor Stores
446, 4461	Health and Personal Care Stores
447, 4471	Gasoline Stations
448	Clothing and Clothing Accessories Stores
4481	Clothing Stores
4482	Shoe Stores
4483	Jewelry, Luggage, and Leather Goods Stores

Industry Code	Definition
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores
4511	Sporting Goods, Hobby, and Musical Instrument Stores
4512	Book Stores and News Dealers
452	General Merchandise Stores
4522	Department Stores
4523	General Merchandise Stores, including Warehouse Clubs, Supercenters
453	Miscellaneous Store Retailers
4531	Florists
4532	Office Supplies, Stationery, and Gift Stores
4533	Used Merchandise Stores
4539	Other Miscellaneous Store Retailers
454	Nonstore Retailers
4541	Electronic Shopping and Mail-Order Houses
4542	Vending Machine Operators
4543	Direct Selling Establishments
722	Food Services & Drinking Places
7223	Special Food Services
7224	Drinking Places (Alcoholic Beverages)
7225	Restaurants and Other Eating Places

Esri's data development team

Led by chief demographer Kyle R. Cassal, Esri's data development team has more than 40 years of experience in market intelligence. The team's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts for the United States. The team develops exclusive demographic models and methodologies to create market-proven datasets, many of which are now industry benchmarks, such as Tapestry™ Segmentation, Consumer Spending, Market Potential, and annual Updated Demographics. Esri® demographics power ArcGIS® through dynamic web maps, data enrichment, reports, and infographics.



Esri, the global market leader in geographic information system (GIS) software, offers the most powerful mapping and spatial analytics technology available.

Since 1969, Esri has helped customers unlock the full potential of data to improve operational and business results. Today, Esri software is deployed in more than 350,000 organizations including the world's largest cities, most national governments, 75 percent of Fortune 500 companies, and more than 7,000 colleges and universities. Esri engineers the most advanced solutions for digital transformation, the Internet of Things (IoT), and location analytics to inform the most authoritative maps in the world.

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