



**The Impact of  
Retail Proximity  
on Consumer  
Purchases**



## Description

***“80% of U.S. disposable income is spent within 20 miles of home.”***

Much has been written about this statistic. Although this “80/20” rule may vary slightly from one citation to the next, the principle remains the same. Consumers are less willing to travel beyond a certain radius of their homes to make everyday purchases.

It’s a valuable and informative figure, and for a variety of reasons has relevance to business, educational and civic leaders. It is quoted so frequently and in so many forms that it is assumed to be common knowledge. **But can it be verified?**

Several prominent consumer researchers have written about their unsuccessful effort to find the original source for this stat. Yet despite this, many respected sources like [Fortune](#), [Ebay](#), and [MediaPost](#) use this statistic without proper attribution. Typically, they point to an official source identified simply as “U.S. Census data,” but no link to a study or web page is given.

Our purpose of conducting this study is to determine the accuracy of this oft-quoted “80/20” metric, or at least verify the principle behind it. If confirmed, it can serve many important purposes for retailers, community planners, political leaders, and many others who have an interest in the vibrancy of their local retail communities.

This study is aimed at identifying the distance Americans are typically willing to travel to make their everyday consumer purchases.





## Overview

### The purpose of this study is to determine answers to these questions:

- How far do consumers travel to make their everyday purchases?
- How far do consumers travel to patronize specific types of merchants?
- Are brick & mortar stores more relevant than online-only merchants?

Despite all that's been written about the growth and influence of online retailing, ecommerce still accounts for only 8% of all retail purchases in the USA. ([U.S. Census](#)) Though it has indeed experienced steady growth, it's doubtful that ecommerce sales volume will surpass brick & mortar retail sales volume in this generation or the next...if ever.

### What we've learned:

When it comes to everyday consumer purchases necessary to sustain our life and lifestyle, **proximity** is often the essential consideration involved in a consumer's decision to patronize a merchant. More than price, quality, service, brand reputation, etc. If a local retailer is too far away, consumers are less likely to shop there.





## Methodology

This nationwide consumer survey was initiated to study merchant proximity and its effect on consumer spending behavior and frequency. The study was conducted June 15 – August 18, 2016, via email invitation, personal interviews and social media appeals. No incentive was offered in exchange for a respondent's participation in the survey.

The survey was offered randomly to potential respondents, and taken from a large pool of contacts, representing various

consumer groups and interests, including employed professionals of varying education levels, and individuals associated with not-for-profit membership groups, unions, students & trade associations, affinity groups, education organizations, business and finance professionals, and stay-at-home parents. 2,131 completed surveys were received, reflecting a broad consumer demographic and a margin of error of +/- 2.12%.



The header features a stylized map background with various icons in colored location pins: a car, a shopping cart, a gas pump, and an open book. A white box with a red border and a drop shadow contains the title.

## Helpful Definitions

### “Everyday Purchase”

For the purposes of this study, we have asked respondents to consider their most frequent “everyday purchases,” with instructions that these expenses specifically include such purchases as “Groceries, Fuel, Oil Change, Shopping, etc.” This definition excludes mandatory expenditures such as taxes, mortgage/rent, utilities, insurance, health care, retirement, etc, and is in accordance with the [“2014 Annual Aggregated Expenditure Share table”](#) from the Bureau of Labor Statistics. As defined, these everyday purchases account for a 90.2% share of annual consumer expenditures, and can be described as expenditures disbursed from “[disposable income](#).”

### Miles vs. Minutes

Distance traveled can mean different things to people living in similar retail environments. For example, traveling a mile in New York City can take significantly longer than traveling a mile in a suburb or rural community. Given the vast differences in urban traffic, congestion and the proximity of retailers to consumers, etc., *travel time* is a more universal metric, and allows for fair

comparison for urban, suburban and rural retail environments. Consequently, we asked respondents to consider their *travel time* rather than *distance* when answering our survey. By doing so, we are able to draw a close correlation between reported miles and reported minutes. Utilizing verification techniques within the survey instrument, the majority of respondents, in this context, used “minutes” and “miles” interchangeably, with very few exceptions.

### Urban vs. Rural

Our definition of consumers living in urban areas comes from the [US Census Bureau’s definition of Metropolitan and Micropolitan statistical areas](#). Specifically, they are from areas of 50,000 or more residents, or “urban core” areas of at least 10,000, but less than 50,000 residents.

Rural areas are [defined by the Office of Management and Budget](#) in terms of being non-urban, and outside of a metropolitan or micropolitan area.

## Key Findings

#1

### Consumers Typically Don't Travel More Than 20 Miles for Their Everyday Purchases

How far will consumers typically travel for their everyday purchases, like fuel, food, clothing, etc.? With regard to the "80/20" stat, the study provides the following result:

- **93.2% of consumers typically travel 20 minutes or less to make their everyday purchases.**

Similarly, if we narrow the distance traveled just 5 minutes, the study reveals a slightly different picture:

- **87% of consumers typically travel 15 minutes or less to make their everyday purchases.**

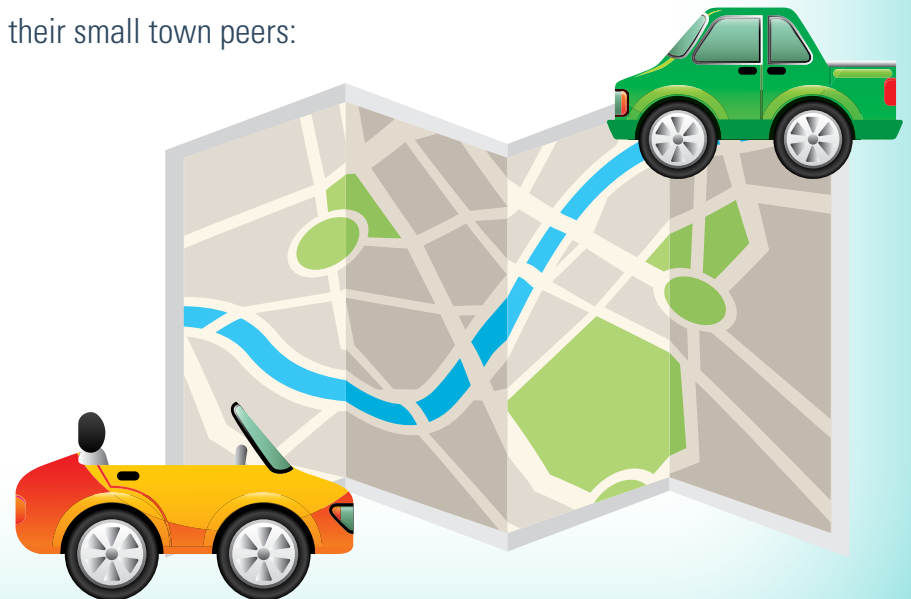
#2

### Urban Consumers Are Predisposed to Traveling Less Than 15 Minutes to Make Their Everyday Purchases

The study found city dwellers remain closer to home on average than their small town peers:

- **92% of urban consumers typically travel 15 minutes or less to make their everyday purchases.**
- **70.3% of rural consumers typically travel 20 minutes or more to make their everyday purchases.**

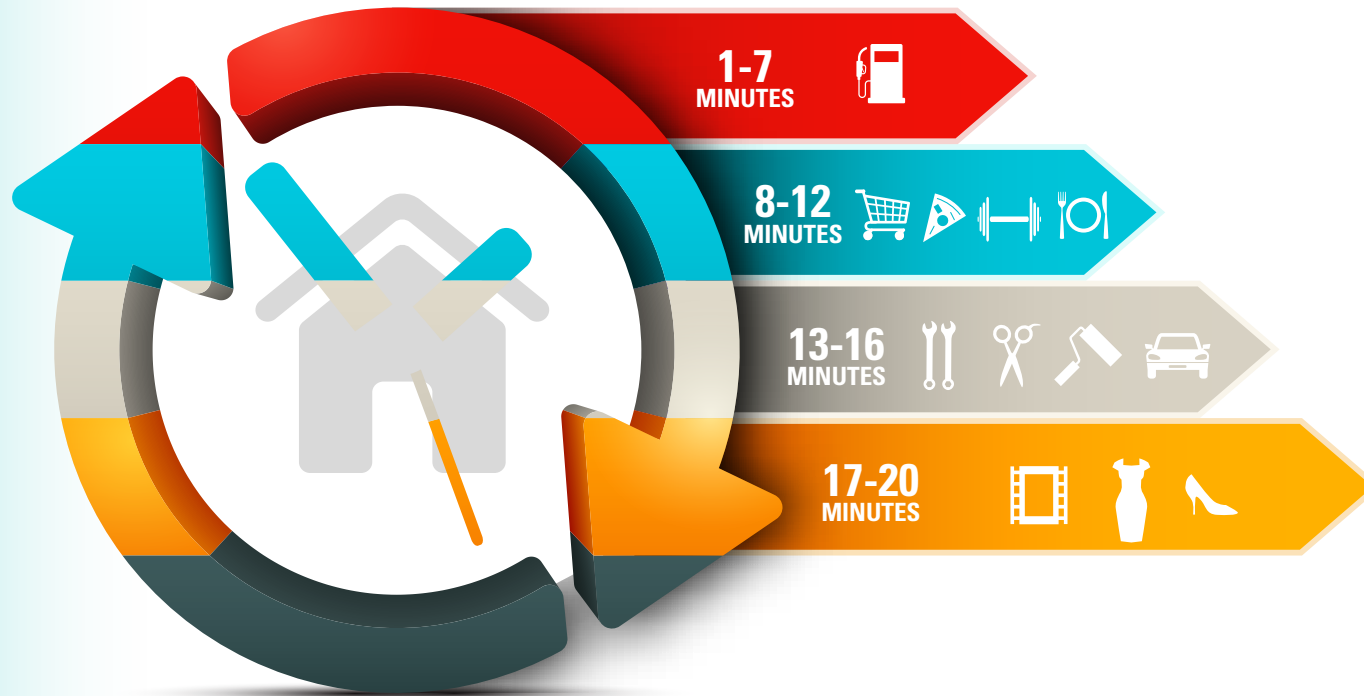
As 83% of consumers reside in urban areas, (based on "Core Based Statistical Area" as defined by the [Federal Office of Management and Budget](#)), they make up the most significant concentration of customers and retailers, reflecting the vast majority of retail expenditures.





### The More Frequent the Purchases the Less Consumers are Willing to Travel

The study zeroed in on the average amount of time consumers will typically spend to make the following purchases:



	\$	Minutes from home (average)
	<b>Fuel</b>	<b>6.01</b>
	<b>Groceries</b>	<b>8.03</b>
	<b>Fast Food</b>	<b>8.40</b>
	<b>Gym Membership</b>	<b>9.31</b>
	<b>Casual Dining</b>	<b>11.45</b>
	<b>Oil Change</b>	<b>13.14</b>
	<b>Hair Cut</b>	<b>13.37</b>
	<b>Home &amp; Garden</b>	<b>14.07</b>
	<b>Auto service</b>	<b>14.17</b>
	<b>Movies</b>	<b>17.04</b>
	<b>Clothing/shoes</b>	<b>19.87</b>

The more frequent the purchase, the greater consumers demand that these merchants be closer to home. Frequent purchases made once or more per week (such as fuel, groceries, fastfood) are typically made within 10 minutes of home.

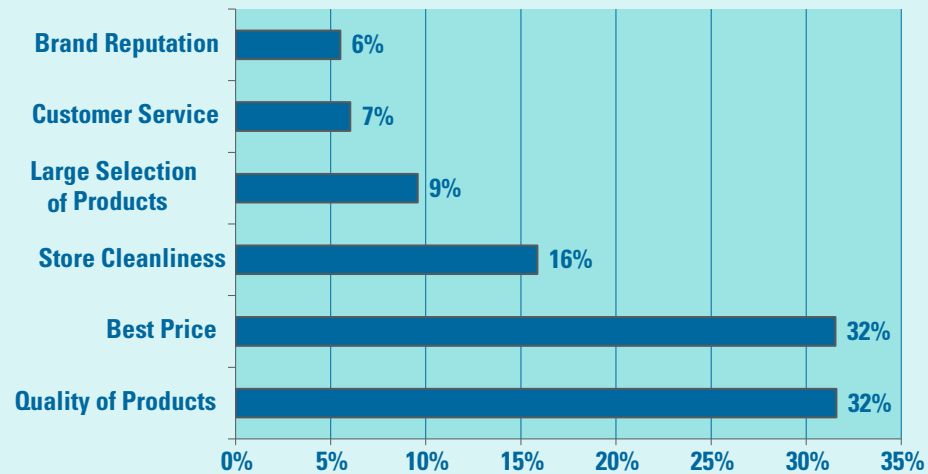
Conversely, consumers are willing to travel a little greater distance for purchases made weekly or monthly, like oil changes, haircuts, and apparel; but typically no more than 20 minutes.



### When Excluding Proximity, Price and Quality are Key Factors that Influence Everyday Purchases:

While it may seem obvious that consumers consider many factors when deciding where to shop, it's not so apparent which factors are the primary concern when excluding proximity. The study shows that price and quality are of equal concern.

Excluding the issue of how far you may have to travel, when shopping at a department store or other retailer, please rank which of the following items most influence your decision to shop there. (Based on each item's total number of highest ranking.)





## Conclusion

While this study is limited to a small sample size of 2,131 respondents, the margin of error is a respectable 2.12% overall. This allows us to confirm the essence of the “80/20” metric. The results show:

- **93.2% of consumers patronize local merchants within 20 minutes/miles from home.**
- **Consumers will typically travel no more than 10 minutes from home for frequent purchases made once or more per week.**
- **Consumers are willing to travel further away from home for regular, yet less frequent purchases, but typically not greater than 20 minutes/miles from home.**

This study confirms the relevance and importance of local, neighborhood retailers. Not only as it relates to helping merchants enhance retail sales, but as it relates to consumers who clearly want their favorite retailers within close proximity of their homes.



## About Access<sup>®</sup> Development

For over 30 years, Access has provided organizations, associations and companies with compelling member/customer benefits, utilizing our exclusive, private [network of merchant backed discounts and rewards](#). Featuring over 350,000 participating merchant locations, our discount offers can attract and engage constituents of all types, covering a broad demographic spectrum. Using our popular My Deals Mobile<sup>®</sup> app, members show their phone at the point of sale to redeem discounts in virtually every retail neighborhood from coast to coast.

Our members-only discounts deliver savings of up to 50% off at popular restaurants, retailers, big box stores, theme parks, auto service centers, hotels, recreation outlets and travel providers.

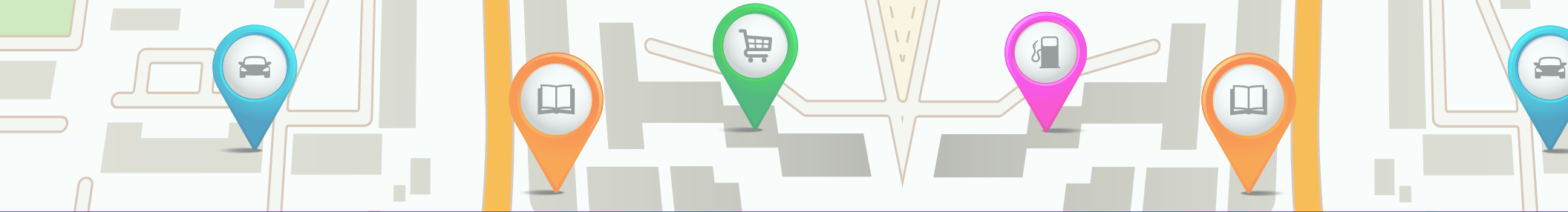


The Access merchant network is the largest collection of deep discounts in America, and is effectively leveraged by our clients to achieve business objectives such as:

- [Member benefit](#) enhancements
- Standalone [loyalty programs](#)
- Revenue-generating [membership clubs](#)
- [Employee retention](#) and reward programs
- [Acquisition](#) and retention [incentives](#)
- [Fundraisers](#) for charitable organizations
- [Redemption alternatives](#) for miles and points programs (i.e., “points-burn” solutions)
- Targeted [merchant recruitment services](#) to organizations that need help securing specialized deals outside of our network

Connect with us





## Follow Access



**800-840-0032 / [AccessDevelopment.com](http://AccessDevelopment.com)**