

Retail Market Power™

Release Notes

What is It?

Retail Market Power (RMP) can help retailers and real estate analysts understand the supply and demand characteristics of any area. Using supply estimates derived from retail sales data and demand estimated derived from consumer expenditures, the database presents a net gap between supply and demand to assess opportunities in your current or potential new trade areas. Developed using the Census of Retail Trade from the U.S. Census Bureau and the Consumer Expenditure Survey from the U.S. Bureau of Labor Statistics, the database offers current-year supply and demand estimates, as well as five-year demand projections, for all standard census, postal, marketing geographies or custom trade areas such as radii or drive times.

Retail Market Power (RMP) presents sales estimates and consumer expenditures for more than 100 retail store types, including department stores, warehouse clubs, supercenters, and restaurants. Estimates are also provided for nearly 40 merchandise line items, such as women's wear, sporting goods, and pet supplies.

Retailers and real estate analysts use RMP to understand the difference between supply and demand in existing and potential new trade areas. In areas where demand exceeds supply, an opportunity gap exists that can attract new retail operations or inform what changes need to be made to a store's product mix to increase market share. In areas where supply exceeds demand, a surplus exists, which can signal that new marketing strategies may be needed to attract new customers, that the area is attractive to niche retailers, or that it may prompt a store network re-alignment.

The Retail Market Power tool in ENVISION offers a report that includes additional RMP metrics to help users understand the demand growth in retail store types and merchandise line items from the current year to five years from now. The report also presents the compound annual growth rate (CAGR) for each variable. ENVISION users can also visualize all these data through the mapping tool.

Data Vintage

2026 Estimates
2031 Projections

Base level Geography

Block Group

Update Frequency

Annually

Variables

458 Current Year
154 Five Year

*To view the complete list of variables please visit:
environicsanalytics.com/variables

What's New?

The 2022 update to the North American Industry Classification System (NAICS), used across Canada, the United States, and Mexico, introduced significant changes to better reflect modern, omnichannel business models. Most notably, retail classifications shifted from channel-based to product-based structures, requiring organizations to revisit historical mappings, compliance considerations, and trend analysis as source data has only recently adopted the updated standard.

Executive Summary: NAICS Transition from 2017 to 2022

Introduction

The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies to classify business establishments for the purpose of collecting, analyzing, and publishing data related to the U.S. economy. It provides a uniform framework for categorizing industries based on their primary activities, enabling consistent economic analysis and reporting. The most notable change in NAICS 2022 is the elimination of Subsector 454 (Nonstore Retailers), which previously distinguished businesses by sales channel (e.g., online, mail order). Retail classification is now channel-neutral, grouping establishments by the type of product sold rather than the channel through which it is sold. This shift resulted in widespread consolidations and renumbering of retail codes, aligning them with a product-based structure. In contrast, Food Services & Drinking Places (NAICS 722) experienced no structural or code changes, maintaining continuity for restaurants and related services. These updates ensure NAICS remains relevant in a digital-first economy and provide a more accurate framework for analyzing industry trends. Note: Although NAICS was updated in 2022, integrating this data into reporting and analysis took longer because many source datasets did not adopt the latest NAICS structure until recently.

Implications

- **Regulatory Compliance:** Accurate NAICS classification is essential for federal reporting, Small Business Administration (SBA) size standards, and eligibility for government programs. Misclassification can lead to compliance issues or missed opportunities.
- **Benchmarking & Market Analysis:** The shift to product-based, channel-neutral codes improves comparability across omnichannel retailers. Businesses can now benchmark performance without artificial distinctions between online and physical sales.
- **Data Continuity & Trend Analysis:** Historical data tied to NAICS 2017 codes must be mapped to 2022 equivalents for consistent time-series analysis. Using the official concordance ensures accurate bridging for KPIs and forecasting.

Strategic Planning: Consolidations and renumberings may affect how competitors and industry segments are grouped in market studies. Understanding these changes helps refine segmentation and targeting strategies.

How it's Used?



To rank areas targeted for retail expansion based on total demand, total supply or opportunity gaps.



To look for new sales opportunities by comparing the total supply of goods in a market to the total demand of goods in the same market



To understand the impact of competitors and calculate market share in any market based on supply estimates.

Sample Questions it Can Answer

- Is this a good location for my store based on the gap between supply and demand?
- How much will demand grow in the next five years for my store type?
- What is our market share based on the supply estimates for our store type?
- Are customers buying locally or travelling outside the area to make purchases?
- Can the opportunity gap in this trade area support my new restaurant?
- Which of our department stores are in areas with a supply surplus?
- What is the expected annual growth rate in demand for this area?

For Data-Only Deliveries

Standard data are delivered in comma-separated values (.csv) format. For a detailed list of variables, consult the metadata file included with your data delivery.