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New Study Shows Shopping Local Instead of on Amazon Has a 676 Percent Greater Positive Impact on Local Economies

"Home Sweet Home: Locals vs. Amazon" study findings released at National Hardware Show

LAS VEGAS, Nev. — A newly released study, "[Home Sweet Home: Locals vs. Amazon](#)," examines the positive economic impacts of consumers choosing to support independent building supply, hardware, power equipment and paint dealers instead of purchasing from online retailers like Amazon. It further reinforces the value of the "Local Advantage" when it comes to small independent businesses and shows their rate of return to local communities through labor, profit, procurement and charity is nearly seven times greater than Amazon.

Amazon recently reported its positive impact on the larger U.S. economy through its small business sellers, but "Locals vs. Amazon" shows buying directly through independent businesses whether in-store or online has an even greater economic impact:

- Sales through local hardware and paint dealers have a local impact nearly seven times greater (676 percent) than sales through Amazon, even when including all of Amazon's distribution employment.*
- If Amazon were to capture just 10 percent of the home improvement market from independents, American communities would see a loss of \$9.3 billion in local economic activity.
 - In addition, because roughly half of Amazon sales come from third-party sellers who collect sales tax on a very limited basis, states and communities would see a substantial loss of revenue.
- When consumers order home improvement products online from an independent business, their money has more than twice (130 percent higher) the impact on local economies through jobs, taxes, charitable giving and revenue than if they were to buy online from The Home Depot or Lowe's.

"Clearly, Amazon is feeling the pressure from America's independent businesses which provide their communities with substantial, quantifiable economic benefits relative to their chain competitors and even more substantial benefits as compared to online competitors like Amazon," explains Bill Brunelle, co-founder of Independent We Stand, one of the sponsors of the study. "Locals vs. Amazon' has produced stunning findings which allow us to follow the dollars in to the economy giving us perspective on not only the 'Local Advantage' impact of independent businesses, but also the real numbers when it comes to online sales in the U.S."





According to findings in the “Home Sweet Home: Locals vs. Amazon” study:

- Total e-commerce sales across all lines of goods accounted for only 8.9 percent of all U.S. retail sales in 2017.
- Online sales from independent home improvement dealers and major chains, combined, represents only 2.3 percent of overall online retail sales.

“From experience and product knowledge to troubleshooting and customer service, independent retailers have several advantages over Amazon and online sales. This study clearly shows the consumer still wants to go to a brick and mortar independent paint or hardware store to make their purchases,” said LeAnn Day, Paint and Decorating Retailers Association (PDRA) CEO. “I believe consumers want to buy local and support local businesses and value the level of trust they develop through their experiences with locals.”

In fact, data in the study shows the hardware, paint and power equipment sectors are somewhat insulated as compared to other industries and supports the broad assertion that home improvement and building materials customers buck the online shopping trend. There appear to be two driving factors:

- Customers want to inspect what they buy before committing and likely visit a trusted retailer for expertise and advice on purchases.
- The big box home center chains have developed sophisticated tools to facilitate hybrid online sales for store pickup.

“We are not ignoring e-commerce. As it becomes a greater concern for independent retailers in our sector who may have limited capabilities, we’ve worked hard to create effective research that accurately depicts the economic influence locally owned businesses have on an individual community and how that initial impact has the potential to generate national economic activity,” said Dan Tratensek, North American Retail Hardware Association (NRHA) vice president and publisher of *Hardware Retailing*, the industry’s leading trade magazine. “This ‘Locals vs. Amazon’ edition of our Home Sweet Home Study shows how critical it is for retailers and consumers alike to be aware of the impact we make when we choose to shop local.”

To view the “Home Sweet Home: Locals vs. Amazon” study, visit:

https://www.independentwestand.org/wp-content/uploads/Home-Sweet-Home-Amazon_.pdf

About the study

“[Home Sweet Home: Locals vs. Amazon](#)” was conducted by the economic analysis and strategic planning firm [Civic Economics](#). The [North American Retail Hardware Association \(NRHA\)](#), [Paint and Decorating Retailers Association \(PDRA\)](#) and [Independent We Stand](#) commissioned the study. This study is the third in a series of “Home Sweet Home” studies. The first two studies “[Home Sweet Home](#)” in 2015 and “[Home Sweet Home Pros](#)” in 2017, provided extensive analyses comparing the local economic impact of conducting business through





independent businesses versus a major national chain. The “Locals vs. Amazon” edition of this report builds on that analysis and expands it to include e-commerce sales through Amazon. By calculating the percentage of revenue that recirculates in local economies through independent retailers, national chain retailers and Amazon, the study quantifies the “Local Advantage” of four major activities: labor, profit, procurement and charity.

About Independent We Stand

[Independent We Stand](#) is a nationwide movement of independent small business owners whose mission is to inspire other small business owners to better understand and celebrate their locally-owned status while educating consumers about the importance and strong economic benefits of supporting them. The Independent We Stand movement is sponsored by [STIHL Inc.](#) [STIHL products](#) are sold through more than 9,000 [servicing power equipment retailers](#) from coast to coast – not big box stores. Associate sponsors include [PPG](#) and [Do it Best Corp.](#)

About the North American Retail Hardware Association

Founded in 1900 by a group of retailers, the [North American Retail Hardware Association](#) (NRHA) is a not-for-profit trade association whose mission is to help hardware stores, home center and lumberyards in the U.S. and Canada become better and more profitable retailers. Governed by a board of independent hardware retailers, NRHA fulfills its mission by providing information, communication, training programs and networking opportunities for the industry it serves. Each month NRHA publishes *Hardware Retailing* magazine, which reaches over 34,000 stores in the U.S. and Canada. NRHA also provides a wealth of online training and educational resources to thousands of retailers on www.nrha.org.

About the Paint and Decorating Retailers Association

Founded in 1947, the [Paint and Decorating Retailers Association](#) (PDRA) is a nonprofit organization dedicated to supporting independent dealers in the paint and decorating retail industry. PDRA helps its members by providing the tools and resources necessary for them to succeed—education, advocacy, networking, and research. PDRA also provides the leading industry publication—*PDR Magazine*. First published in 1964, PDR Magazine is a monthly publication focused on delivering current industry information to owners, managers, and employees. The magazine reaches more than 21,000 readers, including independent paint and decorating retailers, company-owned paint and decorating stores as well as hardware stores, wallpaper stores, window covering stores, floor covering stores and home improvement outlets.

**Amazon employment varies between states, so Civic Economics has provided state level detail in the full study. In many states, Amazon has no employment, rendering the local impact at effectively zero.*

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