

Online Vs. Retail

Are traditional brick-and-mortar storefronts becoming a thing of the past? If you're a reader of the Wall Street Journal, you may have recently run across news headlines like these proclaiming the demise of traditional retailers: [Shoppers Are Fleeing Physical Stores](#), [The Great Mall Exodus](#), and [Macy's Confronts the Crisis of the American Mall](#). So is this true? And more importantly, is this happening in North Carolina?

State-specific data on e-commerce can be difficult to come by, and the reliability of what is available is far from perfect. But LEAD does produce some pretty good data through our [Quarterly Census of Employment & Wages](#) (QCEW) program. Looking at retail establishments and employment, there's definitely something going on.

Throughout the 1990s, growth in the number of retail outlets in North Carolina kept pretty good pace with our growth in population. The drop-off in stores two decades ago was at least, in part, due to growth in the size of stores as average employment per establishment grew (coinciding with the growth of big-box retailers). But since 2001, the number of retail establishments in our state has declined overall. North Carolina had more than 1,650 fewer retail establishments in 2013 compared to 2001 (a decline of 4.7%). Employment has been up and down with the economy over that time. While retail employment has grown faster than establishments over the past decade, it is nowhere near the rise in state population.

So in short, e-commerce is likely having an impact on our cities, towns, and neighborhoods. There are less stores, but those we do have are larger. Does this mean that we're heading toward a world without malls?

To fully assess the impact e-commerce is having on our state, we need better data at state and local levels. Simple things like distinguishing an online sale from a traditional retail sale is a challenge. Free in-store pickups of web sales and in-store kiosks for ordering out-of-stock items for home delivery blur the lines between traditional and virtual sales. Retailers are coming up with new ways to combine their physical and virtual spaces — meaning the end of retail stores is far from imminent. Now small mom-and-pop retailers...? That's a topic for another day.