Key local stats every marketer needs to know

Local is the Rodney Dangerfield of digital marketing; it simply doesn't get the respect it deserves. But when we look at the totality of the data, it becomes clear that the majority of brands and retailers should be focusing a great deal more energy and effort on local digital marketing.

To make all this clearer, I've pulled together some key data points that argue why local should be getting more of your attention. It's not just about plumbers and restaurants. It's about trillions of dollars in offline consumer spending being influenced by the internet.

Only 4% of consumer buying happens online

You've repeatedly heard the statistic, "90% of retail is still offline." That's based on U.S. government data. As presented, however, it's missing some context. First, the phrase "still offline" suggests that the majority of retail spending will eventually be online (which could happen but the zombie apocalypse is probably more likely). The statistic also excludes services, which is where two-thirds of consumer spending happens.

The U.S. gross domestic product in 2018 was just over $20 trillion, roughly 13 trillion of which was driven by consumer spending on goods and services. E-commerce spending in 2018 was approximately $513 billion, a sizable number but quite small by comparison. In fact, e-commerce represents about 4% of total consumer spending. (All of these figures come from the U.S. Commerce Department and Bureau of Economic Affairs.)

90+% of consumers buy within 20 miles

There’s another oft-cited statistic that says, “80% of U.S. disposable income is spent within 10 to 20 miles of home.” A few years ago I tried for some time to chase down the source of that figure but could not. It makes intuitive and logical sense, which is why it gets repeated and has taken on the force of statistical fact.

The closest I could get to it empirically was a 2016 study from Access Development (.pdf), which found that 92% of urban consumers typically travel 15 minutes or less to make everyday purchases (e.g., groceries, gas, restaurants). Rural residents often travel more than 20 minutes on average to make “everyday purchases.”

However, overall, the survey of more than 2,000 consumers found:

- 93.2% of consumers shop at 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.

80% of consumers are ‘ROBO’ shoppers

Most marketers, analysts and retailers (until recently) have treated online and offline shopping as separate, unrelated silos. This has never been true for consumers, who since the beginning have used the internet as a tool to support offline

buying. Reading local business reviews online is the most obvious example of this.

A 2018 study among 4,200 consumers, from Google and IPSOS, looking at purchase behavior in four product categories found the vast majority of shoppers research online before buying offline or vice versa. Only 11% of consumers were online-only and only 12% were found to be offline-only shoppers.

One of the main reasons digital marketers have neglected the offline impact of their campaigns is because real-world attribution has been very challenging, although Google and Facebook are making that easier with new tools and reporting. A growing number of third-party location intelligence companies also make digitally influenced local attribution an accessible metric.

90% influenced by online reviews

Over the past five years there have been dozens of surveys that document the importance and influence of online reviews. And while not every purchase is influenced by reviews, it’s fair to say that the overwhelming majority of online consumers regularly consult reviews in purchase decision-making. Here are some of the supporting data points that have come out in the past few years:

- Positive reviews are the top influence on consumer buying (SOCi)
- 97% of consumers consult product reviews before making a purchase (PowerReviews).
- 86% of consumers read local business reviews (BrightLocal)
- Nearly half (45%) of brick-and-mortar sales start with an online review (BazaarVoice)

There are more studies with slightly different figures but all point to the same conclusion. The majority of consumers

consult online reviews before buying – most of which happens offline.

30% of all mobile searches are local . . . but

In 2015, Google said that more than half of all web search was now coming from smartphones and tablets. The company has not officially updated that figure, but it could be higher than 60% at this point. Mobile search volume continues to be the driver of Google's paid search revenue growth. Google CFO Ruth Porat said on the company's most recent earnings call, "In terms of dollar growth results were led again by mobile search, with a strong contribution from YouTube, followed by desktop search."

Google's current official position is that "30% of all mobile searches are related to location." However, in 2012 then Google VP of Local Marissa Mayer said that the percentage of mobile searches seeking local business information was 40%. Larger numbers have popped up informally over the years. For example, someone tweeted from an event at Google's Mountain View headquarters in 2018 that "46% of searches have a local intent."

And in October 2018, Google CEO Sundar Pichai said during an earnings call presentation, "I wouldn't underestimate the focus we have on local. Just to give you a sense, local mobile searches are growing faster than just mobile searches overall, and have increased by almost 50% in the last year."

75% of 'near-me' searchers visit within 24 hours

Another potentially familiar statistic is about the growth of "near me" searches on smartphones. In May 2018 Google said,

“‘Near me’ mobile searches that contain a variant of ‘can I buy’ or ‘to buy’ have grown over 500% over the last two years.” More specifically, the company reported “900%+ growth in mobile searches for ‘___ near me today/tonight’ (for example, ‘open houses near me today,’ ‘cheap hotels near me tonight,’ and ‘movies playing near me today’).”

What’s more important to understand is that these queries are “low in the funnel” and frequently result in offline conversions. In 2014, comScore and research partners Neustar Localeze and 15 Miles found that more than 75% of local-intent mobile searches result in offline store visits within 24 hours, and nearly 30% result in a purchase. In 2016 Google said something almost identical: 76% of people who search on their smartphones for something nearby visit a business within a day, and 28% of those searches result in a purchase.

A recent survey from Uberall found that among consumers who use their smartphones to shop (69%), 82% of that group had done “near me” searches (92% for Millennials). And according to BazaarVoice, 82% of consumers consult their smartphones about purchases they’re about to make in stores.

70+% of brand engagement on Facebook is local

The majority of brand engagement on Facebook happens on local pages. According to a 2017 study of 50 of its customer accounts, MomentFeed reported that “84.8% of all consumer impressions happen on assets that represent individual stores, showrooms and restaurants. Just 15.2% of impressions happen on brand or corporate assets – including the brand’s own website.”

SOCi similarly examined internal data and compared Facebook corporate Page activity with roughly 2,500 local Pages for the same brands in 2018. Local Pages ages saw 72% of all consumer

engagement. These results are also supported by a 2014 study from SocialBakers that found local pages dramatically outperformed corporate pages in terms of fan engagement.

Searching for a (local) business a top 3 voice search use case

What roundup of local and mobile statistics would be complete without voice search? Let's put aside the now discredited "50% of all searches will be voice searches by 2020." Instead, I'll turn to a more recent study from Microsoft that discusses voice search and virtual assistant usage on smartphones and smart speakers.

The report indicates the top consumer uses for digital assistants, although it's not entirely clear whether the list below encompasses smartphones or is exclusively smart speakers. Regardless, searching for a business is the third most widely adopted use case:

1. Searching for a quick fact – 68%.
2. Asking for directions – 65%.
3. Searching for a business – 47%.
4. Researching a product or service – 44%.
5. Making a shopping list – 39%.

Although "searching for a business" doesn't explicitly convey whether these are local business searches, we can reasonably infer from all we know about user behavior that they are.

The online-to-offline takeaways

This isn't just a random collection of stats. It's an empirically supported argument that goes like this:

- The overwhelming majority of consumer spending is in the real world, within a relatively short distance from

home.

- Most consumers use the internet (increasingly on smartphones) help make purchase decisions, online and off.
- This online-to-offline behavior is most obviously reflected in consumer reliance on local business reviews.
- Mobile search is bigger than desktop search and a significant and growing percentage of mobile searches are for local information.
- Mobile searches that carry a nearby or near me qualifier are high-intent queries and likely to convert within 24 hours.
- In the parallel universe of social, most consumer engagement with national brands is on their local pages.
- Use of virtual assistants (on smart speakers) for local business search is growing.

The phenomenon of consumers using the internet to help guide local/offline purchase decisions is almost as old as the internet itself and more than an order of magnitude larger than e-commerce. The failure to give it proper attention is a significant missed revenue opportunity.

About The Author



Greg Sterling is a Contributing Editor at Search Engine Land. He researches and writes about the connections between digital and offline commerce. He is also VP of Strategy and Insights

for the Local Search Association. Follow him on Twitter or find him at Google+.
http://feeds.searchengineland.com/~r/searchengineland/~3/7i5Pz2Szym8/key-local-stats-every-marketer-needs-to-know-316399