

**SECTOR SNAPSHOT • SMB-S-8**

# Small and Midsize Retail

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## Contents

### Fast Facts

### Small and Midsize Retail Sector Overview

### Industry Hot Buttons and Trends

### How Utilities Can Reach and Serve the SMB Retail Sector

### Best Bets: Energy Products and Services

### The Small Retail Sector: A Promising Opportunity

### Resources

### Notes

Definitions of small and midsize businesses (SMBs) vary, but by any measure, most retailers in the U.S. and Canada are very small indeed. In the U.S., more than 95 percent of all retailers have only 1 store,<sup>1</sup> more than half have fewer than 5 employees, and nearly 90 percent have fewer than 20 employees.<sup>2</sup> In Canada, the retail industry is the largest employer in the country, but mostly in small businesses—72 percent of all retail stores employ fewer than 10 people.<sup>3</sup>

Despite their size, SMBs are important drivers of the U.S. economy. According to the National Federation of Independent Business (NFIB), small businesses account for 40 percent of the U.S. gross domestic product and have provided 66 percent of all jobs over the last 25 years.<sup>4</sup> For the purposes of this report, SMB retailers are defined as independent, nonfood retail stores that are not located in malls.

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## FAST FACTS

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- SMB retailers in the U.S. spend about \$6 billion on energy annually—86 percent for electricity and 12 percent for natural gas. (Some of these businesses use fuel oil, which accounts for the other 2 percent.)<sup>5</sup>
- In Canada, retailers account for about 11 percent of all of the energy consumed by commercial and institutional establishments and spend nearly \$1.9 billion on energy each year.<sup>6</sup>
- Energy typically represents about 1 to 3 percent of operating costs for U.S. retailers.<sup>7</sup>
- There are more than 80,000 retail establishments in Canada<sup>8</sup> and about 443,000 retail facilities in the U.S.<sup>9</sup>
- Lighting accounts for an average of 32 and 9 percent, respectively, of energy end use in U.S. and Canadian retail facilities.<sup>10</sup>