

Avoiding Common Pitfalls in Urgent Care Site Selection

Urgent Message: Location and accessibility are keys to success for any urgent care. Operators must avoid common pitfalls when evaluating a site for their next venture.

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Experience tells us that friendly service, competent providers, short wait times, and efficient operations drive long-term business success in urgent care. However, an urgent care center may never get the chance to deliver if it first undervalues the retail mantra of “location, location, location.”

The physical home of an urgent care center is simultaneously a powerful marketing tool and passive traffic generator. All other metrics aside, a highly visible and easily accessible center in the right location will almost certainly outperform one that’s less favorably positioned, particularly when a market is overcrowded with healthcare competition.

With this in mind, choosing the right location is perhaps the most important first step when starting or growing an urgent care business. Doing so, of course, is easier said than done. In fact, doing everything “right” on paper isn’t always enough. Operators must navigate myriad pitfalls that don’t appear in the data to ensure their location is ideally suited for long-term success.

What’s In a Location?

Choosing the “right” location for an urgent care may seem like simple task at first. A well-maintained space in a well-populated neighborhood or business district sounds ideal. A former medical office that’s already built out or a physician-entrepreneur’s vacancy in a shopping center investment makes sense. However, today’s competitive healthcare landscape necessitates a complex



analysis of the location in terms of the prospective and its trade area.

Operators must evaluate the site’s physical traits, such as proximity to high-traffic roads and visible signage, as well as drivers of patient utilization, such as characteristics of the surrounding population. Determining the extent of competition from other healthcare providers in the area is also essential.

More than Population Density

It goes without saying that a practice cannot survive if there are not enough people nearby to potentially access

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it. The number of people in a geography is referred to as “population density.” But it’s not just the presence of people that matters—it’s the *presence of people you can serve* that matters.

Typically when looking at population density, we start by calculating the population per urgent care—the number of total people divided by the number of urgent cares in your target market. A higher number—preferably greater than 20,000—means less competition. Yet, as the number descends into saturation, it means the urgent care will have to “steal away” patients from existing centers rather than adding a service that hasn’t previously existed. It takes far longer to change consumer behavior than to meet a need that has been lacking.

Operators must also understand the population within that density. Urgent care utilization has historically been highest among working adults age 25-54, who receive health benefits from their jobs, who have rising and/or above average incomes, and who have school-aged children at home.

Competing Healthcare Locations

Even with a healthy patient population, an urgent care will struggle to succeed in a market that is already amply served by other healthcare providers. Therefore, operators must carefully evaluate the prevalence of competition in the area immediately surrounding their target location.

Clearly, this includes traditional urgent care centers. However, limited scope, orthopedic-focused, and pediatric urgent cares must also be accounted for. Private physicians and outpatient providers affiliated with local health systems must also be considered. Some patients may prefer to schedule a visit with their primary care provider when they need treatment for injury or illness rather than visiting urgent care.

When competition is present and it becomes necessary to “win” patients from the competition, site selection should create opportunities to out-position the competition through better signage visibility, a location that intercepts patients (thus cutting off the competitor), out-marketing and out-executing.

An Algorithmic Approach

By regressing urgent care visit data against market and site factors, models have been developed that “predict” urgent care performance for a location. But such models are packed with assumptions including that the hours, services, staffing, patient experience, in-network insurance, and all other operational factors will be similar to, if not better than, the sample set of centers from

Understanding Patient Behavior Through Aggregated Cell Phone Data

In the United States, 97% of adults, age 18-49, own a smartphone.¹ Because smartphones have the ability to constantly track the user’s location through GPS, cell tower triangulation, and public wi-fi, aggregated and anonymized cell phone data provides invaluable data as to patient movement. This data can be accessed via subscription and viewed in a mapping application (called a “geospatial platform”) that incorporates data such as demographics, traffic counts, retailers and urgent care competitors.²

Cell phone data enhances site selection by understanding the actual “draw” of a retail zone (say, a strip mall anchored by a chain grocery) by mapping where visitors come from, how often they visit, how long they stay, and where they go afterward. Rather than assume patients live in 3-5 mile concentric circles around a point, more accurate analysis can be performed on a “polygon” that includes 85% of frequent visitors to an area.

Additionally, the data can illustrate the routes people travel to/from a location including days of week and time of day, enabling a new urgent care entrant to intercept the patients of other providers.

To counter privacy concerns, it’s important to note that users only see anonymous aggregate data, and applications cannot connect a cellphone location with a specific consumer. The platforms also doesn’t use the data it collects to advertise to consumers.

References:

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which the model was created. The more an operator deviates from the norm, the less predictive the model will be for their business case.

The Fallacy of ‘Doing Everything Right’

Operators must understand that choosing a location for a new urgent care clinic is a delicate game—part science, part art. While doing the work to research a location and its population is essential, the results alone do not guarantee success. Choosing the right urgent care location goes beyond checking the boxes of the above metrics.

Incorrectly, many operators believe that finding a lo-

cation that meets patient volume and demographic criteria is a recipe for instant success. In reality, the process is far more nuanced. A clinic can struggle even when doing everything “right” on paper due to several significant pitfalls that are often overlooked. These can derail even the best-laid plans, and avoiding such pitfalls is crucial to the success of a new urgent care.

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Urgent Care Location Pitfalls to Avoid

Finding a prospective location that meets the recommended benchmarks for population size and the right demographics is elating. However, that doesn’t mean the area is a suitable home for a new urgent care clinic.

The following pitfalls apply to all locations—including those appearing to be strong candidates by the numbers. Operators should be aware of these flaws and avoid locations where they are present.

Areas Lacking Adjacent Retail or Retail Synergy

The right neighbors can be a boon or barrier for urgent care success. Typically, retailers adjacent to a thriving clinic have high traffic volumes and longer visit times. In the “Amazon economy” the one surviving weekly shopping destination remains the local supermarket. Thus, a supermarket that attracts around 100,000 annual customers who shop for over a half hour would be an ideal neighbor. Such traffic suggests nearby visitors aren’t just popping in and out. Perhaps more importantly, it indicates individuals and families frequent the location for personal shopping.

By contrast, a clinic in a strip mall surrounded by businesses like car dealerships, art galleries, or other infrequent “stop-and-go” locations won’t draw as much interest or have as much exposure to potential patients.

As stated by the International Council of Shopping Centers (ICSC), patients won’t alter their established behaviors to seek out your center. If a more convenient alternative is available, they’ll often choose it. Urgent cares must meet patients where they are and make the decision to seek care both convenient and obvious.¹

Too Much Medical Competition

As mentioned, any given area can only support a finite number of healthcare providers. If your target urgent care location is surrounded by too many other urgent cares, hospitals, primary care offices, or freestanding emergency rooms, it will be a struggle to ramp-up and maintain adequate patient volumes.

Patients are creatures of habit and usually don’t want to risk trying something new when they’re sick. The majority of patients won’t change their behaviors to visit a new clinic unless it is overwhelmingly more convenient.

Physical and Psychological Barriers

Certain physical barriers weigh negatively on an otherwise favorable location. These include a high density of interstates, rivers, large expanses of undeveloped land, and any other artificial or natural feature that limits the population of your medical trade area. Proximity to other businesses or major roadways also impacts patient volumes. Lack of a stoplight or a difficult left turn may deter patients if there are easier options available. From the patient’s perspective, a clinic that is easy to reach or visible from a main road is favorable to one that is hard to find.

Psychologically, many features can deter potential patients from choosing your urgent care. Poor street lighting, a change in appearance between buildings in the area, local crime levels, and ethnic composition all come into play. Some psychological factors require local knowledge. A location may look convenient on a map, but out of habit people often will not cross city, state or school district boundaries, drive around an airport, cemetery or golf course, or go to areas that seem unsafe.

Poor Curb Appeal

The aesthetic of your urgent care clinic should be inviting and evoke feelings of trust and comfort in potential patients at first glance. An otherwise great location with poor curb appeal can lose traffic as patients will perceive it’s a poor quality operation.

Though you may not always have control over the outward-facing appearance of your urgent care, curb appeal should be considered when selecting a location. Avoid poorly maintained sites that appear rundown or dated or whose look doesn’t match the necessary professionalism of an urgent care. If a site seems relatively “cheap,” you’ll usually get what you pay for.

Obstructed Ingress/Egress

If patients consider accessing care at your urgent care

but experience hassle getting to the front door, they'll likely opt for a more accessible alternative. This means your location of choice must be easy to reach. While an urgent care isn't a daily use convenience like a quick serve restaurant or gas station that requires direct ingress and egress, we do know that barriers like right turn-only lanes or long medians that block patients from entering from the opposite side of the road negatively impact volume.

Similarly, your location must have adequate parking to accommodate visitors at peak times. Parking is typically regulated by municipal code based on the building square footage at 5 to 6 spaces for every 1,000 square feet. For most centers, this means having between 15 and 20 dedicated parking spaces, which should be sufficient for staff and patients based on arrival of 4 patients per hour.

Of course, not all parking is created equal. A retail center may have an ample parking lot that is enticing at first. However, consider the placement of the spaces. If they are far from your entrance, this could pose a problem for patients seeking care for an illness or injury. Convenience is key, so be sure your location has enough parking spots close to your door. In a multi-tenant strip or building, "reserved" patient parking near the front door is even better.

Signage Restrictions

Signage is a vital marketing tool for urgent care—especially when paired with high traffic levels either on nearby roadways or at neighboring retailers. Each time someone sees your urgent care's signage, it is a free reminder that you are there to provide care when they need it. Over time, this puts your clinic top-of-mind when they experience a health event.

Depending on your chosen location, you may have little control over the type of signage you can install. The amount of signage available is typically regulated by municipal code that allows so many square feet of signage per square feet of building elevation.

Signage that is difficult to spot or too small to read negatively impacts volume. Before signing an agreement to move into a new location, ensure there are no excessive restrictions on the size and type of signage you can install. If a property owner won't allow you to have prominent, branded signage that is visible day and night, this is a red flag.

Wrong Size Space

The size of your urgent care clinic is another key consideration. Perhaps you've found a great location by all

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other metrics, but it is smaller than the recommended 2,800 to 3,500 square feet for an urgent care.

If the space is too small, the number of patients you can treat in a day may be limited. Patients may also experience longer wait times since there are fewer treatment rooms, be uncomfortable in a cramped waiting room, or you may be forced to compromise on the services you can offer. A small space is also problematic during peak times, such as flu season, when you must be prepared to treat more patients than usual.

Conversely, if the space is too large, your clinic will incur higher costs than necessary. If you don't have enough patients to fill the space, the recommendation is to build out only the square footage needed for your business operation and "firewall" the back for storage or future expansion.

Conclusion

Finding the right urgent care location is a challenge that all operators must embrace. Putting in the work to research the area's population, demographics, and competition is a vital first step. However, a location that meets benchmarks for these metrics can still fail.

Urgent care operators must carefully navigate the pitfalls that are difficult to quantify with data to identify a beneficial location for a new clinic. Knowing these warning signs and avoiding problematic features when selecting a location can improve your chance of success and your ability to deliver high-quality care in your community. ■

References

1. International Council of Shopping Centers website. How to Choose Where to Open. March 15, 2024. Accessed at <https://www.icsc.com/news-and-views/icsc-exchange/how-to-choose-where-to-open>.