



RETAIL PULSE SURVEY RESULTS

Released February 2021

The holiday period has helped bolster sales for a quarter of small businesses throughout Hampton Roads with 26 percent reporting an increase in sales compared to pre-COVID levels, reported Retail Alliance from their Retail Pulse survey conducted in January.

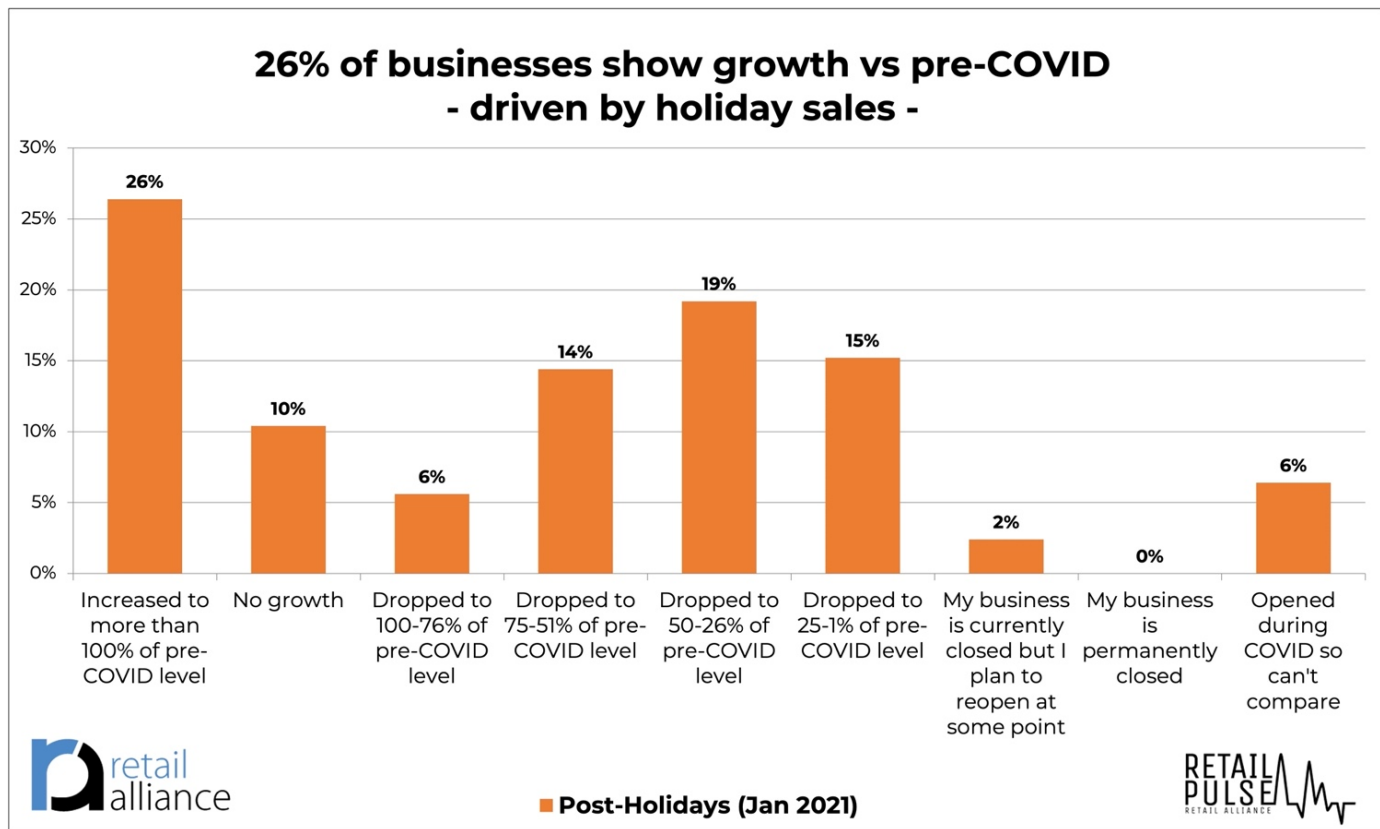
In contrast, over half are still reporting lower sales than they had prior to the pandemic. In fact, 15% of businesses dropped to levels of 25% or below of pre-COVID sales.

SUMMARY OF FINDINGS

- In January, 26% reported that their current sales have recovered back to levels before COVID-19 hit. Back in October that figure was 14%, which showed that the holiday season had a positive impact on their revenue.
- Unfortunately, the flipside is that 56% of businesses are still reporting they had less sales than they did prior to the pandemic. But this is still an improvement from October, when 85% of businesses reported to have less than pre-COVID revenue levels.
- 45% saw a decrease in sales during the holiday period compared to the same period in 2019. 32% of those reported a decrease of 15+%.
- 19% of businesses saw an increase of 15+% year over year, with an additional 17% seeing some increase, albeit on a smaller scale. Overall, 36% reported increases and 17% experienced flat sales.
- The pandemic challenged retailers across the board. Customer concerns about safety due to COVID-19 was a challenge for 81% of businesses, along with concerns about the economy (72%), product availability (71%), lack of awareness of local stores (69%), and reduced store capacity (64%). Interestingly, increase in online shopping appeared further down the list at 54% after cash flow (59%).
- On average, ecommerce sales made up 23% of overall sales during the holiday period between October and December 2020.
- In our survey, nearly half of small businesses said they refund cash or return the credit to their card (47%). 29% exchange, 27% provide store credit or a gift card.
- Just over a third do not have a return policy (take into consideration that many restaurants, cafes, etc cannot do returns).

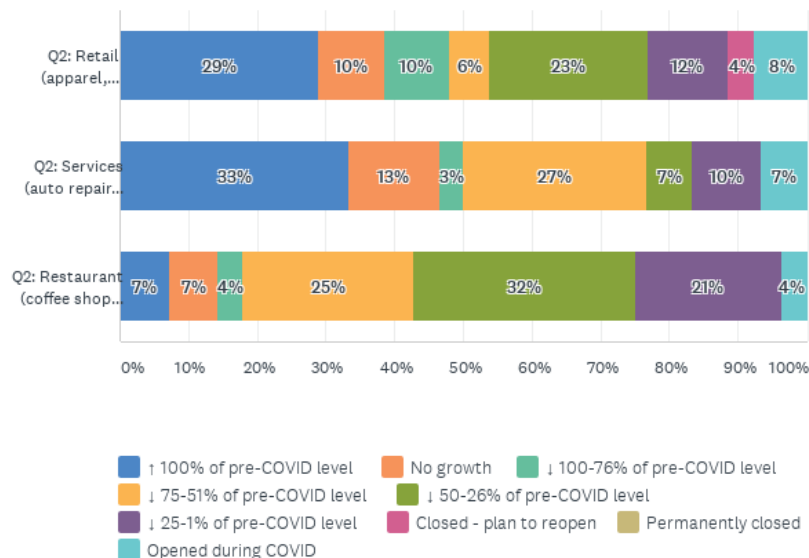
DETAILED FINDINGS

January 2021 Sales vs Pre-COVID



[Chart 1: January sales compared to pre-COVID levels]

Q5 How does your current sales volume compare to pre-COVID levels (prior to March 2020)?



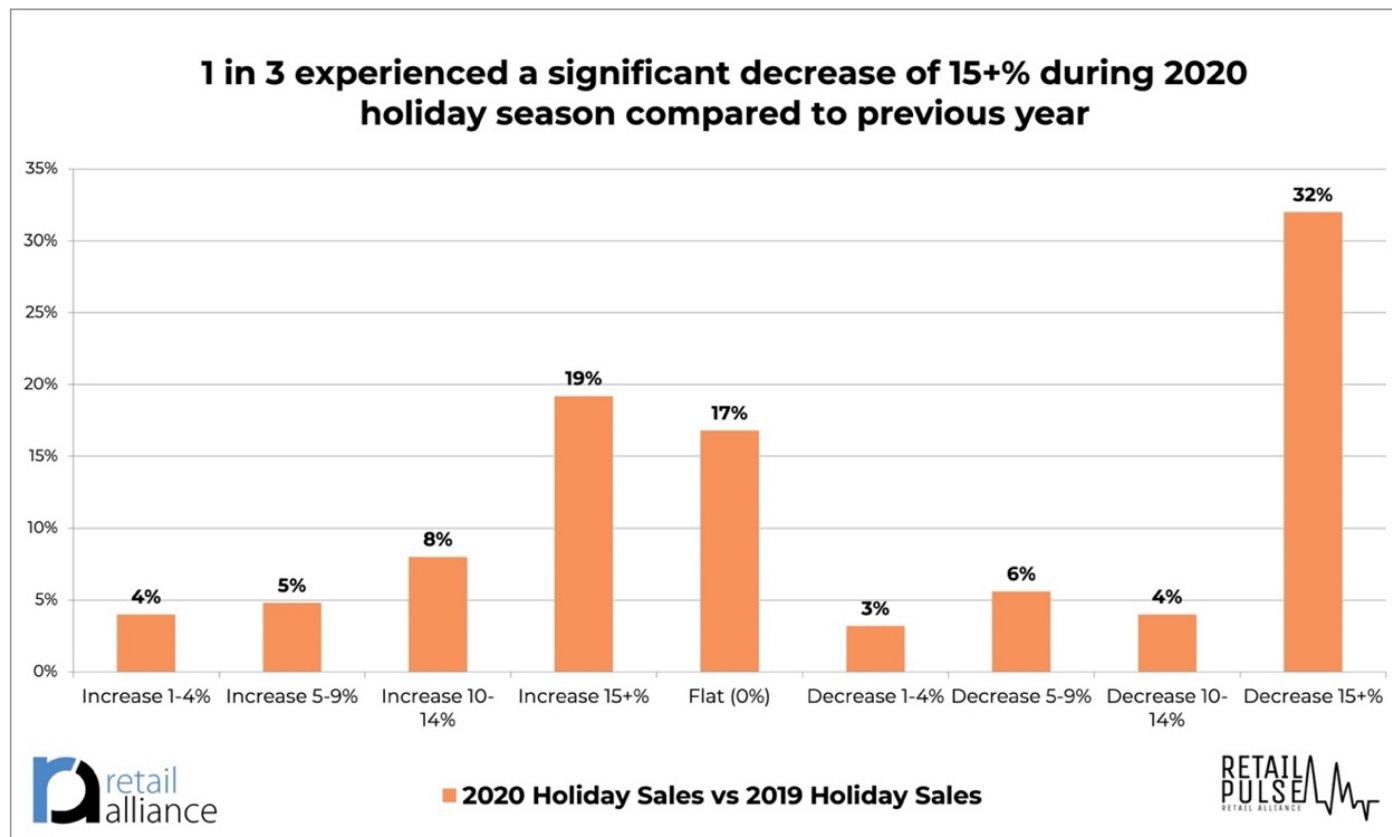
[Chart 2: January sales compared to pre-COVID levels, split by industry]

Holiday Season 2020 vs Holiday Season 2019

Although the October to December holiday period gave a boost to sales for 2020, it wasn't enough to outdo the previous year's sales figures, or make a significant dent in the damage caused by COVID-19.

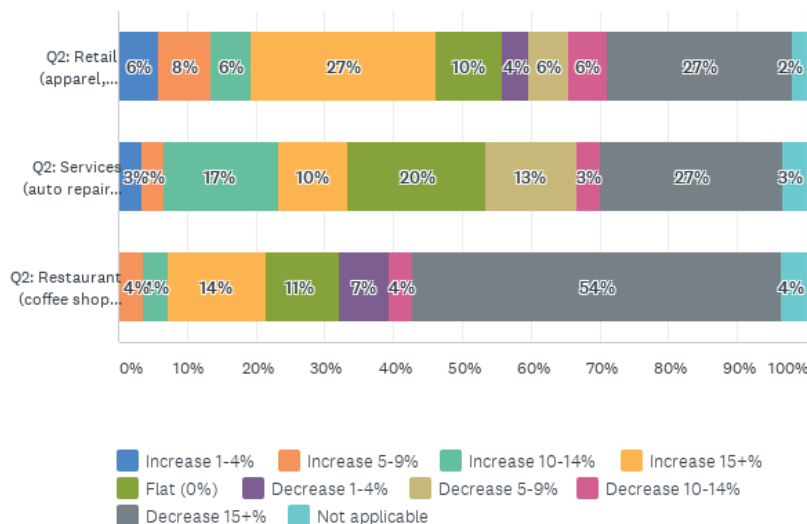
Nearly a third of small businesses reported a decrease of 15% or more in sales during the holiday period versus the year prior, and 45 percent overall saw a decrease in sales.

On a more positive note, 36 percent reported increases of holiday sales year over year, with 19 percent of those reporting an increase of 15 percent or more.



[Chart 3: Holiday sales 2020 compared 2019]

Q6 What percentage change did you experience for your overall sales during the 2020 holiday period (Oct-Dec) vs the same period in 2019?



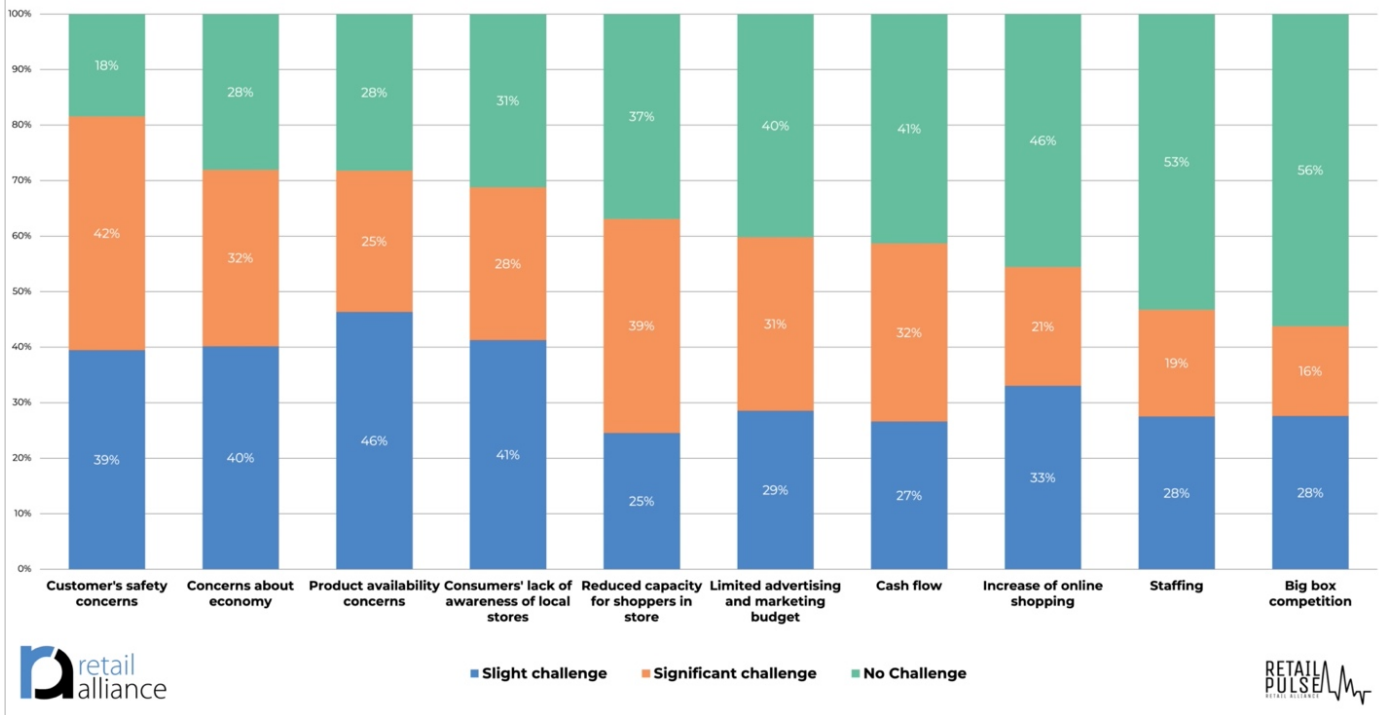
[Chart 4: Holiday sales 2020 compared 2019, split by industry]

Challenges During Holiday Season 2020

The pandemic challenged retailers across the board. Customer concerns about safety due to COVID-19 was a challenge for 81% of businesses, along with concerns about the economy (72%), product availability (71%), lack of awareness of local stores (69%), and reduced store capacity (64%).

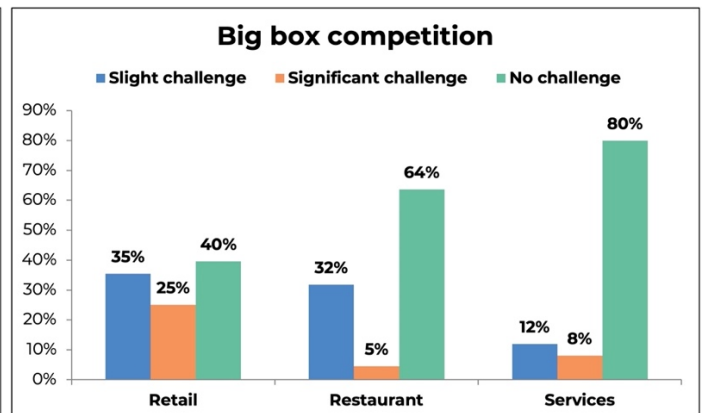
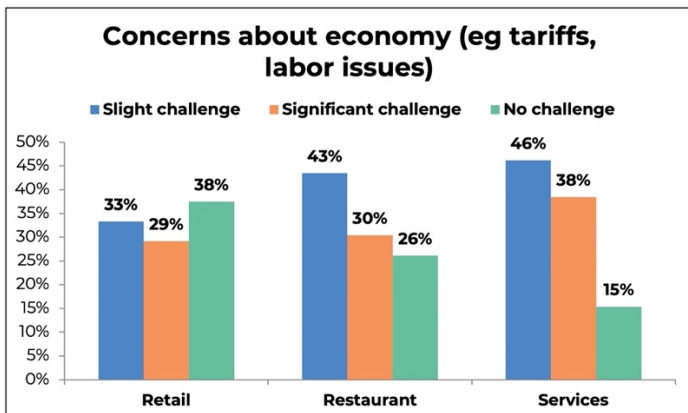
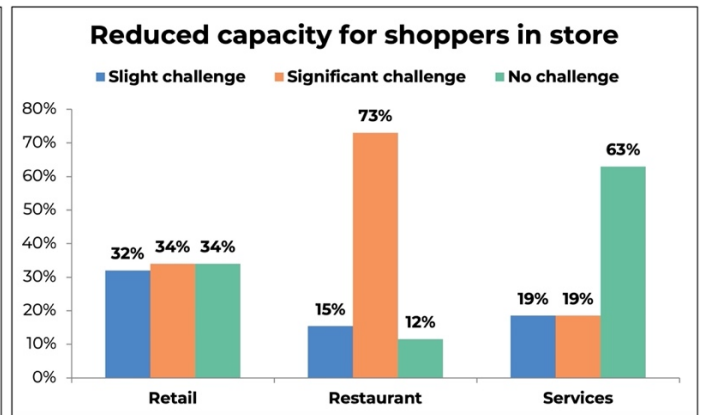
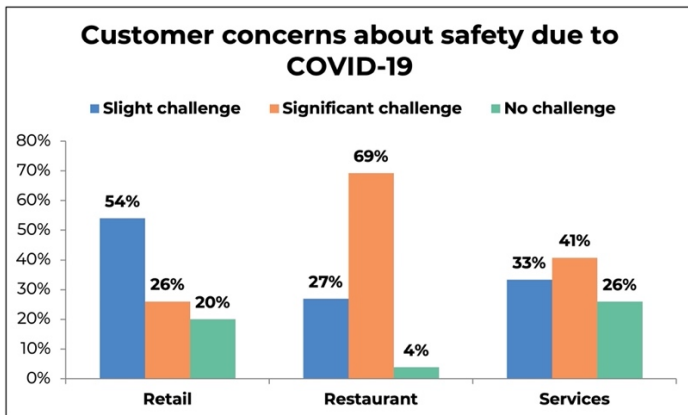
Interestingly, increase in online shopping appeared further down the list at 54% after cash flow (59%).

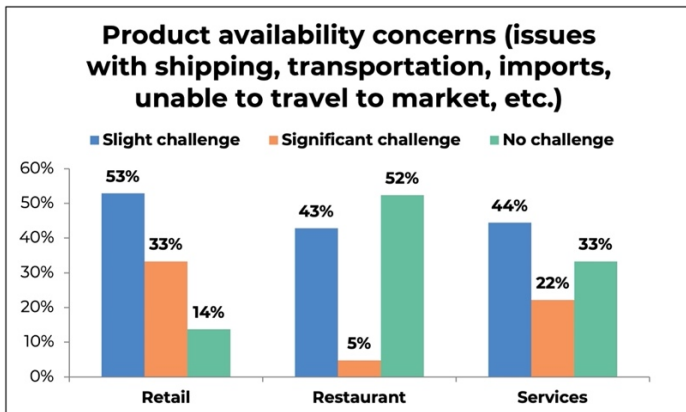
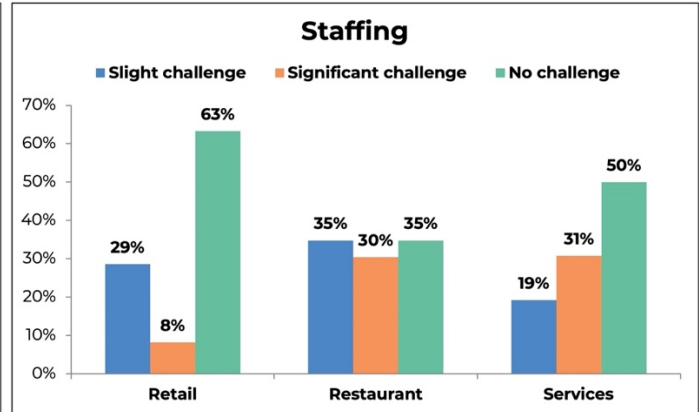
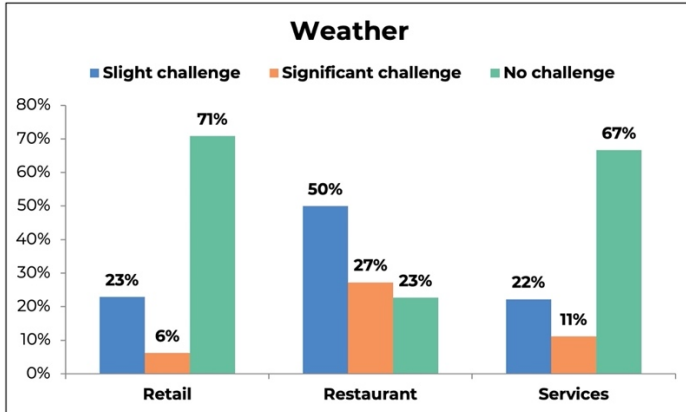
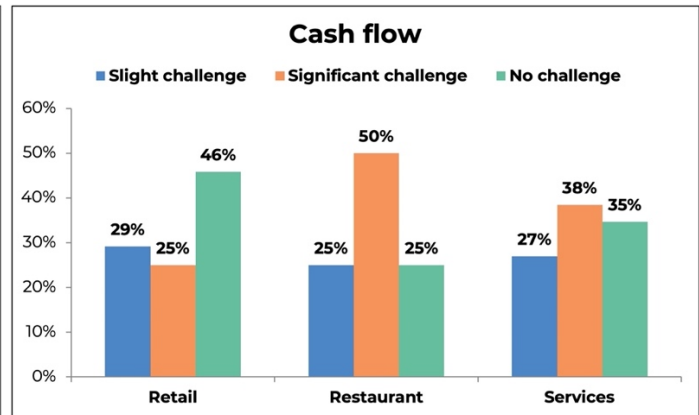
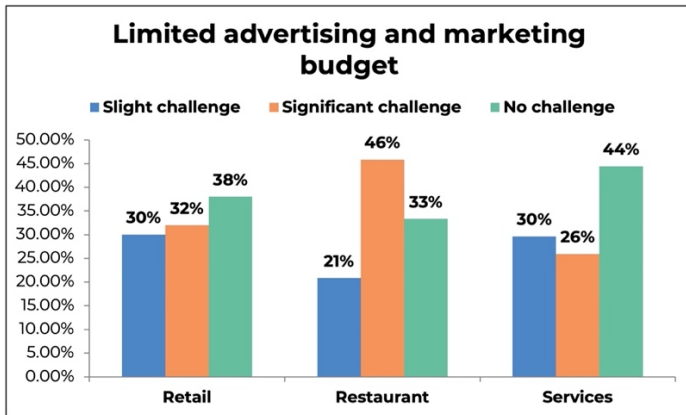
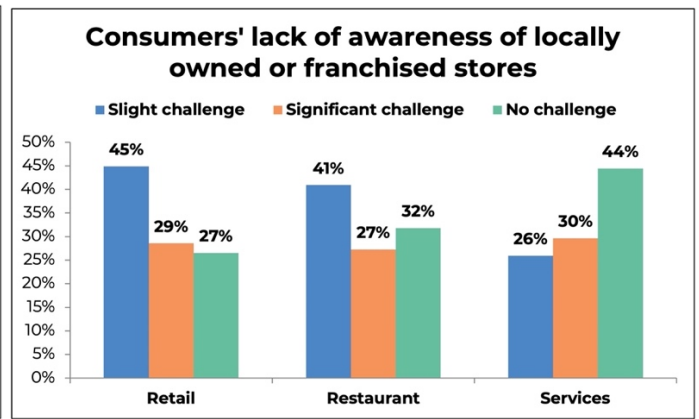
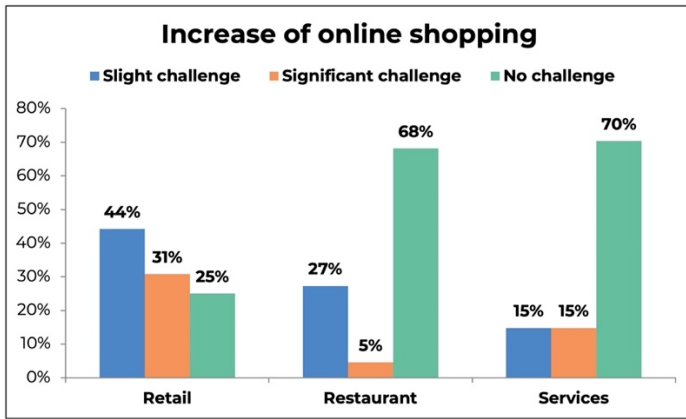
**Biggest challenges throughout this holiday period (Oct-Dec 2020)?
And to what extent?**



[Chart 5: Levels of challenges experienced during holiday season 2020]

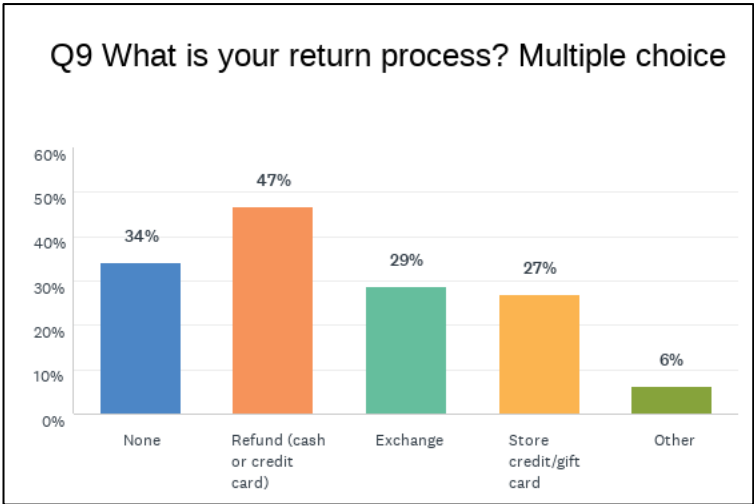
[Charts 6-16: Levels of challenges experienced during holiday season 2020, split by industry]





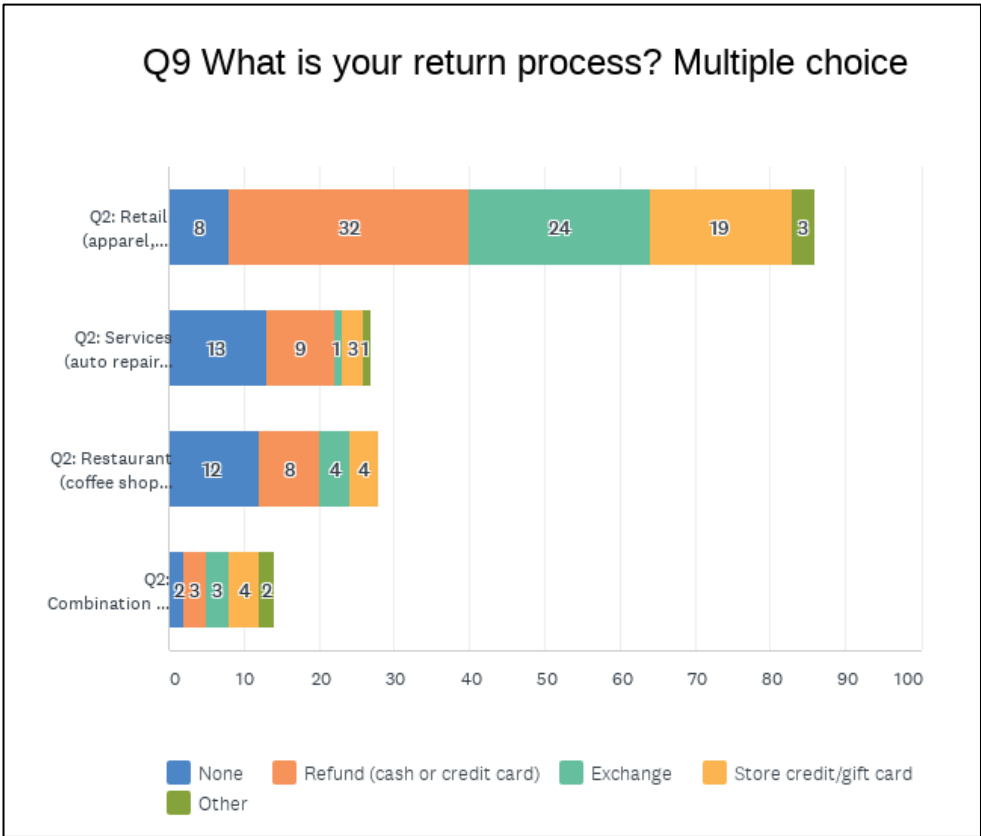
Return Process

We asked businesses what their return process was and nearly half of all respondents offer shoppers a refund of either cash or credit card. About a third do not offer returns, 29% will exchange, and 27% will offer store credit or gift card.



[Chart 17: Return Process for all respondents]

These findings are a little deceiving though as some businesses, in particular restaurants and service companies, are unable to offer a refund. Therefore, we split the findings by industry to see what happened.



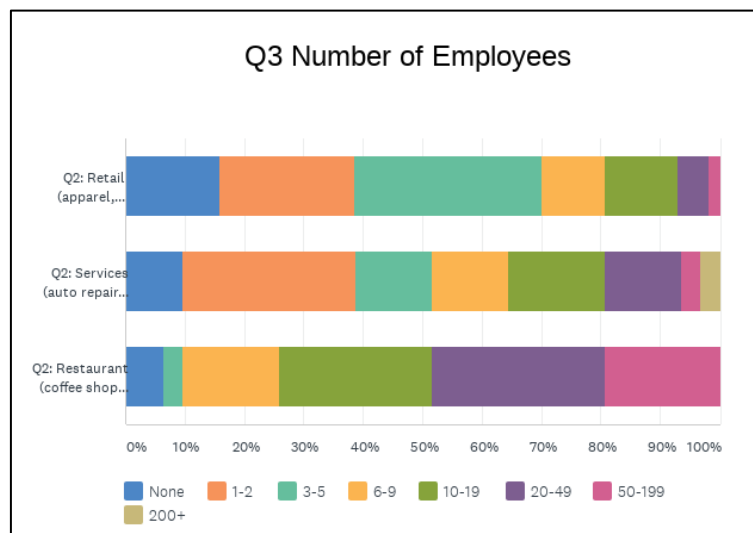
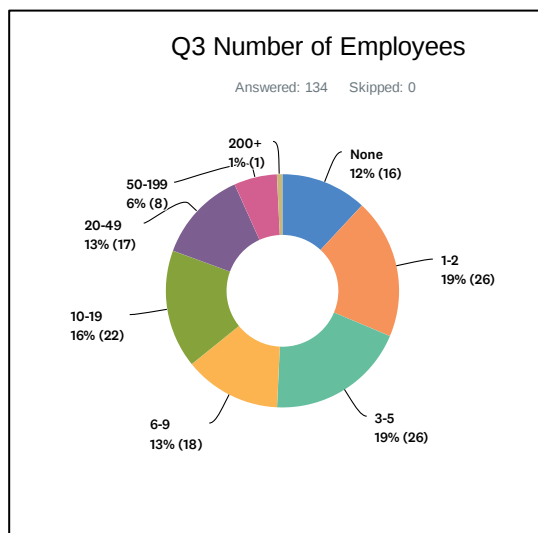
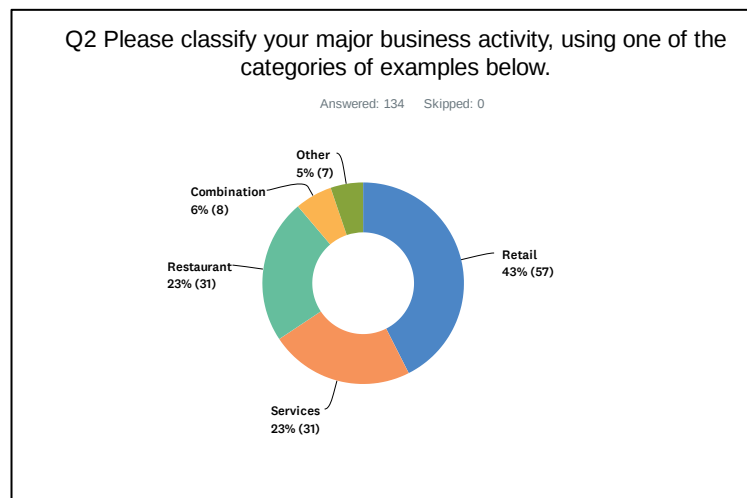
[Chart 18: Return Process for all respondents]

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About Retail Pulse Survey

Retail Alliance's Retail Pulse survey was conducted in January 2021 with 134 small businesses (retail, restaurant, services) across Hampton Roads.

Business Classifications and Sizes:



About Retail Alliance

Retail Alliance is open for small business, whether it's a restaurant, retailer, or retail partner. Every city in Hampton Roads is covered by one of our dedicated member relations advisors who works to provide our members with trusted guidance, support, and up-to-date information to help them succeed. We're by their side every step of the way, championing for their success, educating them and their peers, advocating and lobbying on their behalf, negotiating group discounts, offering a variety of products and services to benefit their business, and helping them build lasting relationships far beyond their membership. Retail Alliance is a non-profit trade association serving the interests of local retailers in Hampton Roads since 1903. Visit www.retailalliance.com for more information.

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