

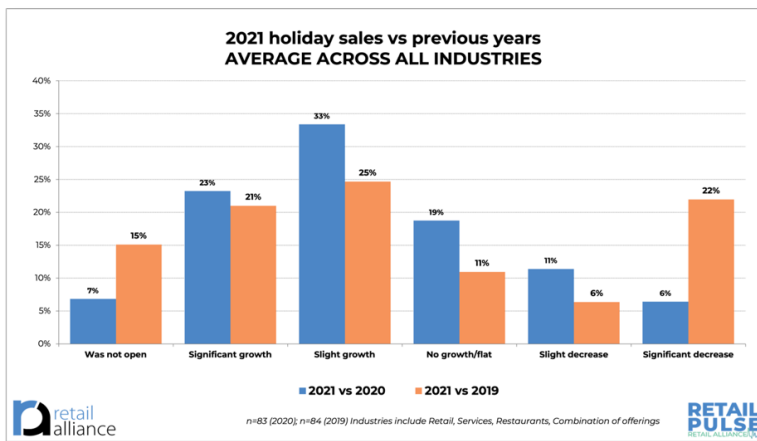
FOR IMMEDIATE RELEASE

Local holiday sales up for 56% of local retailers, but significant portion still not back to pre-pandemic holiday level
Concerns continue around inflation, supply chain, minimum wage and virus variants

NORFOLK, VA. (March 1, 2022) – 56% of local retailers and other small businesses enjoyed growth in 2021 holiday sales from the same period in 2020, according to the latest Retail Pulse survey from Retail Alliance. Inflation was of most concern to survey respondents, with 81% having some level of concern. Delays in the supply chain are not improving for a significant portion either, with an average of 78% expressing concerns. Business confidence for the next six months is looking stable, with very little change to the previous two surveys (Aug and Nov 2021).

The survey, conducted between February 3 and February 14, 2022, received 100 responses from retailers, restaurants, services, and other small businesses, throughout Hampton Roads. The survey included questions about holiday sales comparing 2021 holiday season to 2020 and also to 2019 (pre-pandemic), business challenges, business confidence, supply chain, and minimum wage.

SALES GROWTH

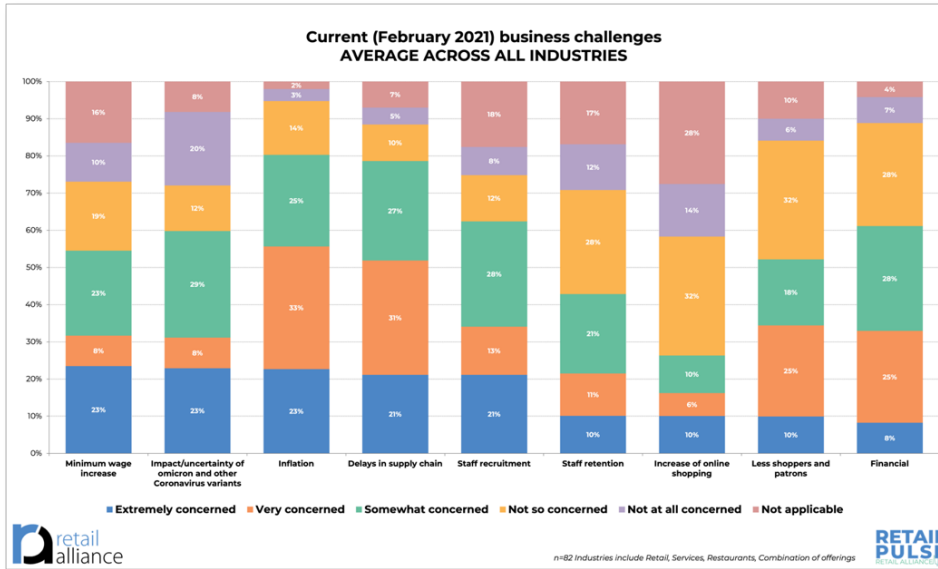


“Delving a little deeper into what is driving these numbers, Retail performed the strongest, showing an 81% growth over 2020 holiday sales, followed by restaurants at 63%, and service at 40%,” said Kylie Ross Sibert, Vice President, Corporate Communications. “The growth in retail might have come from the rollout earlier in the year of vaccines and consumers felt safer to come out shopping in-person again.”

“But comparing 2021 to 2020 doesn’t necessarily provide a completely accurate view of growth levels. Comparing 2021 holiday sales to 2019’s pre pandemic holiday season was also extremely important,” said Kylie Ross Sibert, Vice President, Corporate Communications.

“We needed to see if sales had returned to pre pandemic levels, when shops and restaurants were not facing the same struggles that COVID brought. And I’m glad we did, as we can see that although growth levels were higher in 2020, there was a nearly a quarter (22%) of respondents who claimed that their 2021’s holiday sales had *significantly* decreased from 2019 holiday sales.

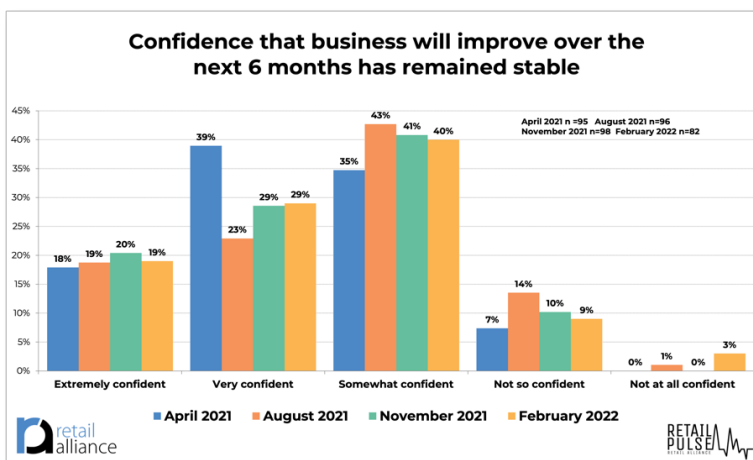
BUSINESS CHALLENGES



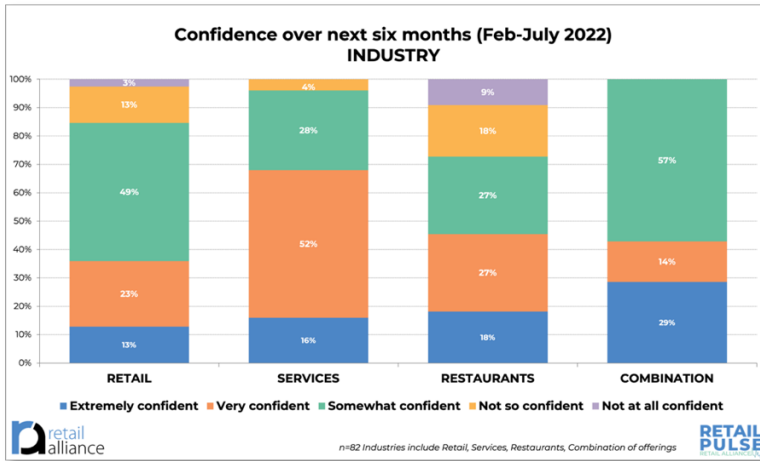
Inflation was of most concern on average, with 81% having some level of concern. Delays in supply chain are not improving for a significant portion either, with an average of 78% expressing concerns. Although inflation and supply chain were most concerning on average, 23% of respondents ranked Minimum wage increase and Impact/Uncertainty of omicron and other Coronavirus variants of *Extreme* Concern.

“Looking at retail only, Inflation was of most concern, with 34 % stating they were Extremely concerned. Restaurants were Extremely concerned about Staff recruitment and Minimum wage increase, while the Impact/Uncertainty of omicron and other Coronavirus variants was Extremely concerning to Service-based businesses,” Ross Sibert stated.

BUSINESS CONFIDENCE



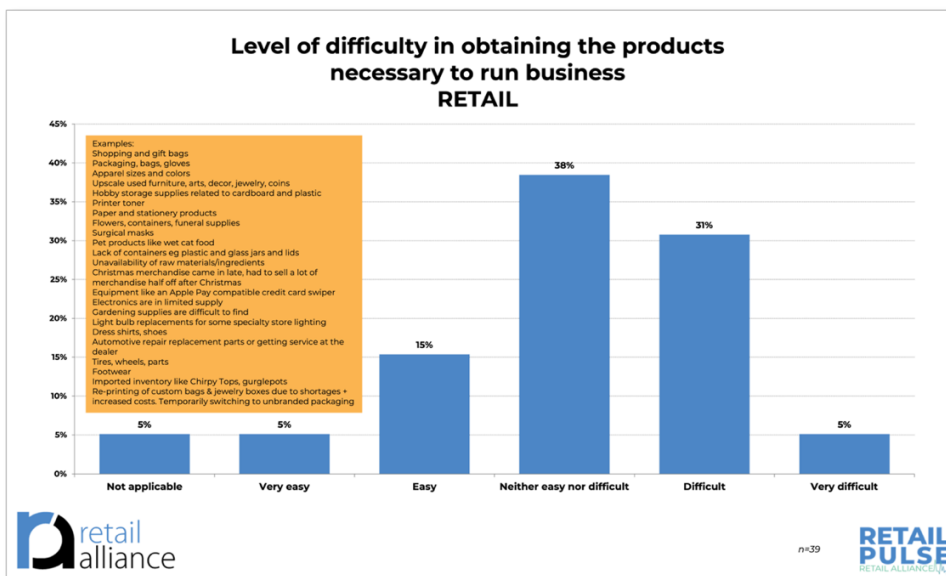
Confidence has been stable for the last 6 months according to our last three Retail Pulse surveys. In this latest February survey, 19% are Extremely confident that their business will improve over the next 6 months, followed by 29% who are Very confident. 40% are Somewhat confident, 9% Not so confident, and 3% Not at all confident.

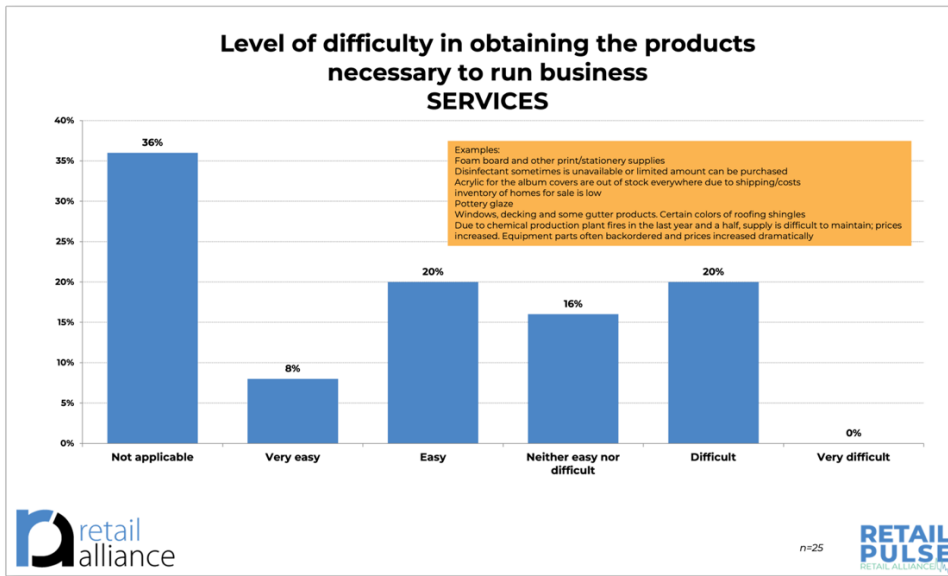


“29% of businesses that offer a combination of products and service are feeling extremely confident over the next six months,” according to Ross Sibert. “In fact, that group of respondents does not show any lack of confidence. Service-based businesses are also feeling confident with 96% showing some level of confidence over the next 6 months. Retail and Restaurants are a little less certain, with 16% and 27% respectively stating they are Not so confident or Not at all confident.”

SUPPLY CHAIN ISSUES

Supply chain issues are continuing for retailers, restaurants, and those that offer a combination of services. Restaurants in particular are finding it Very difficult to obtain the products needed to run their businesses. Service-based businesses felt less of an impact due to being less reliant on sourcing products.

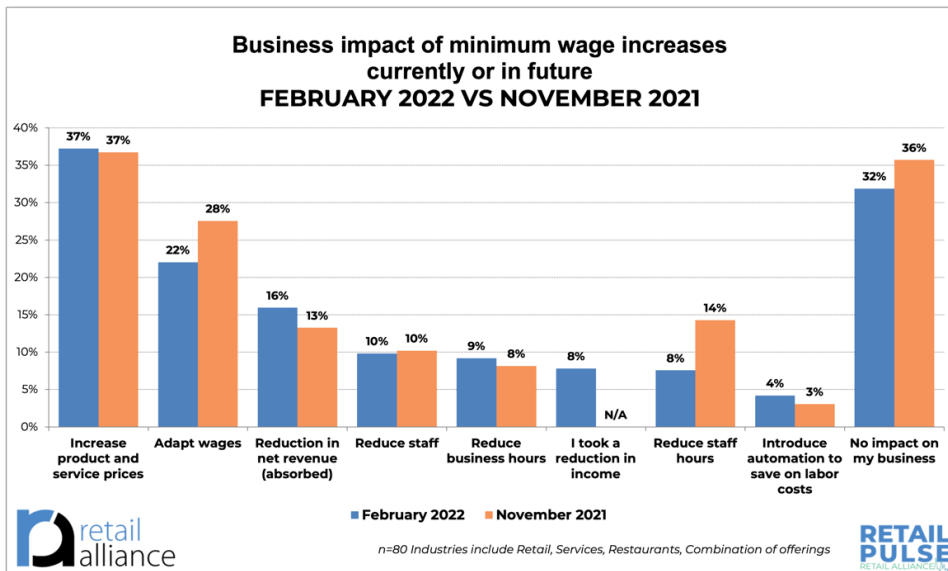


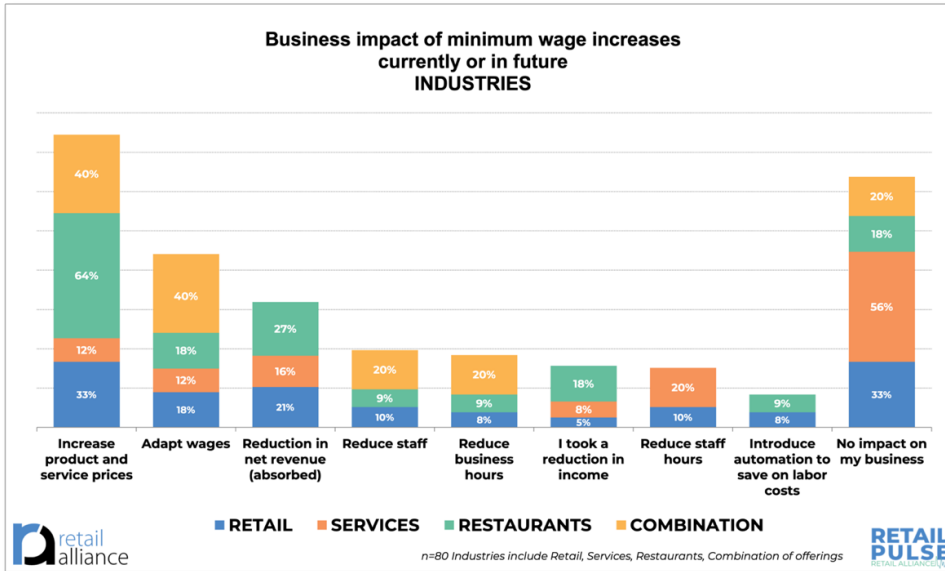


MINIMUM WAGE

Minimum wage issues are continuing into 2022 and, as profit margins are so tight for many small businesses, these costs must be passed onto consumers.

“Not much has changed from November to February, apart from people already having adapted wages back in November necessary to be in line with the new requirements, and not having to reduce staff hours as much as they had done back in November,” remarked Ross Sibert. “The good news is that nearly a third of respondents said that minimum wage increases has had No impact on their business. This was mainly driven by service-based businesses.”

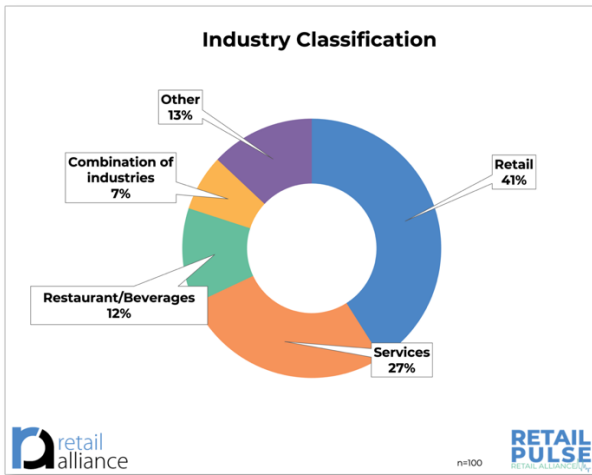




#

About Retail Pulse Survey

Retail Alliance’s Retail Pulse survey was conducted between February 3 and February 14, 2022. The survey received 100 responses from retailers, restaurants, services, and other small businesses, throughout Hampton Roads. The survey included questions about holiday sales comparing 2021 holiday season to 2020 and also to 2019 (pre-pandemic), e-commerce, business confidence, business challenges, supply chain, and minimum wage.



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.