

MODERN COMMERCE MONITOR™

Wave V-IV Industry Brief

Retail

THE RETAIL SEGMENT HAS SEEN IMPROVEMENTS IN ALL AREAS SINCE APRIL

A snapshot of the retail space shows some of the challenges business owners face.

-18%

27%

33%

43%

Businesses closed

+14%

40%

35%

42%

Operating at
reduced capacity

+23%

49%

40%

50%

Furloughed/laid off
employees

-5%

54%

57%

74%

Open businesses have
remote employees

-14%

42%

49%

77%

Have supply chain
disruptions

+34%

75%

56%

75%

Postponed capital
investments

-11%

40%

45%

56%

Retail businesses expect
sales revenue to be
30%-40% below normal
levels over the next month

-16%

38%

45%

55%

Retail businesses have
reduced operating
budgets by over 30%

■ April Wave

■ June Wave

■ October Wave

OPERATING THROUGH THE CRISIS HAS PROVED CHALLENGING AS CONSUMER DEMANDS HAVE CHANGED

Consumers demand more online services,
deliveries and safer ways to transact.

What consumers want from Retail businesses:



+7%

More online
transaction
capabilities

84% April
99% June
90% October



+16%

More online
ordering or
delivery services

61% April
64% June
73% October



+132%

More contactless
payments

31% April
45% June
72% October

Source: Localogy Modern Commerce Monitor™; Wave V-II(April): Base: 168 Retail Businesses;
Wave V-III(June): Base: 142 Retail Businesses; Wave V-IV(October): Base: 148 Retail Businesses.

NEW DEMANDS ARE PUSHING RETAILERS TO EVOLVE BY ADOPTING NEW TECHNOLOGY

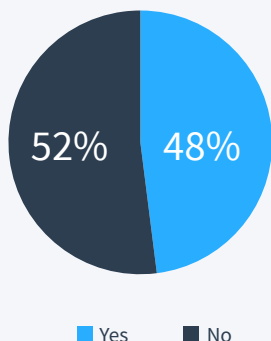
56% of open retail businesses invested in technology to operate under the new conditions. → **72%** increase in the number of retail businesses adopting online payment processes technology compared to pre COVID-19 levels.

41% increase when compared to all businesses.
(33% of all businesses invested in online technology during the COVID-19 crisis.)

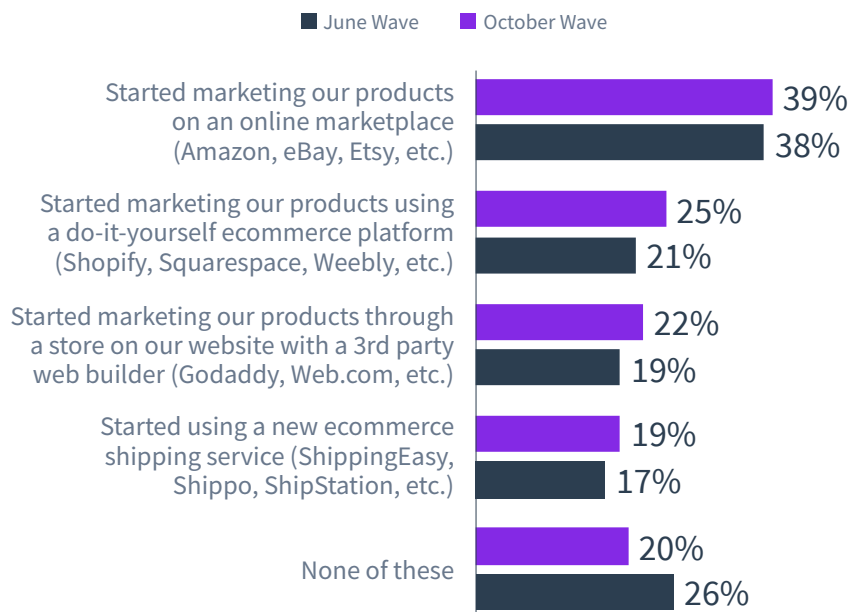
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IMPROVING ECOMMERCE CAPABILITIES IS KEY TO MEET NEW CONSUMER DEMANDS

Since the start of the COVID-19 crisis, has your business invested in expanding your website/ecommerce capabilities?



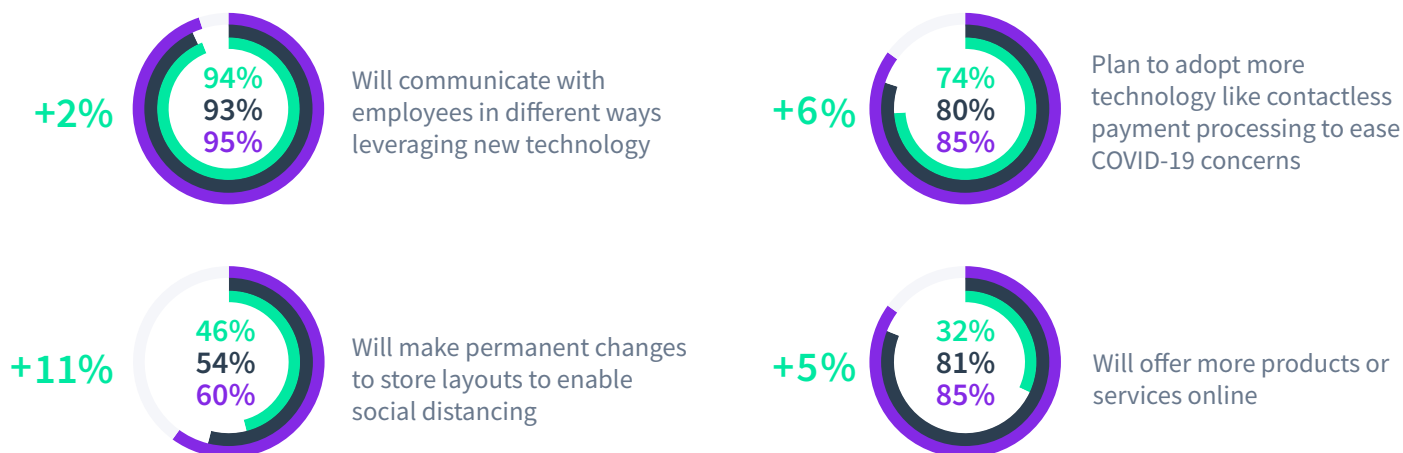
What are some of the things you have done?



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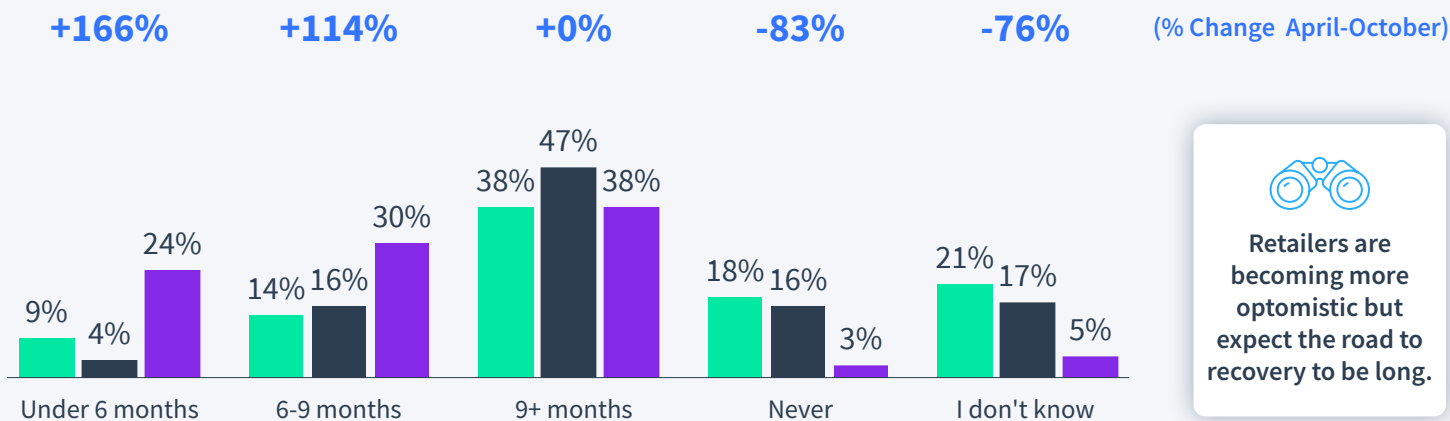
AS CLOSED RETAIL STORES OPEN UP, MANY EXPECT THE MARKET TO LOOK SIGNIFICANTLY DIFFERENT

■ April Wave ■ June Wave ■ October Wave



WHAT DO RETAIL BUSINESSES EXPECT AS A PANDEMIC RECOVERY TIMEFRAME

■ April Wave ■ June Wave ■ October Wave



Retailers are becoming more optimistic but expect the road to recovery to be long.

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