

/ Retail has enjoyed a couple of stellar years, and the first half of 2023 carried this momentum forward for LMC tenants.

/ Healthy sales and expectations

/ Strategic use of technology tools

/ Easing retail pain points





/ HEALTHY SALES THROUGH MID-YEAR

Of retail store managers responding to the mid-year poll:

75.1%* / Reported sales levels match or exceed 2Q22 levels

75.1% / Anticipate steady or increased volume through 2023

*This metric is among the highest in the survey's 12-year history.

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/ TOP TECHNOLOGY TOOLS I

In-store, the “top three” tools* used to augment customer convenience include:

#1 / 66.2% – Digital coupons, discounts and/or loyalty points

#2 / 53.1% – Electronic receipts

#3 / 49.0% – In-store, online ordering with free shipping for out-of-stock items

*Ranked by percent of respondents' use

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/ TOP TECHNOLOGY TOOLS II

Tech-centric marketing is also an important part of the equation. The most popular tools* for 2023 are:

74.4% – Email

71.9% – Social Media

58.1% – SMS (text messaging)

E-mail and social media are historic favorites. The use of text messaging has grown significantly and steadily; this data point is up from 27.7% in 2015.

*Ranked by percent of respondents' use

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/ INFLATION, THE ECONOMY AND LABOR CHECK-IN

Mid-year 2023 (vs. mid-year 2022) metrics indicate three well-documented retail pain points appear to be easing.

51.5% (vs. 60.8%) have raised – or anticipate raising – prices in response to inflation.

40.7% (vs. 57.8%) say year-to-date economic shifts have impacted their performance outlook.

50.9% (vs. 71.1%) are hiring, indicating retailers are successfully staffing up their stores.

47.4% (vs. 58.5%) of those hiring say it is harder to find qualified candidates than it was 12 months ago.

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/TAKEAWAY

/ While negative-leaning drivers are still part of retailers' day-to-day challenges, tenants seem to be feeling less volatility than last year. This likely is fueling their optimism moving into the second half of 2023.

/ ABOUT THE SURVEY

Levin Management Corporation's (LMC) award-winning Retail Sentiment Survey gauges the strength of the American economy from a street-level perspective.

Managers of retail stores regularly interact with the consumers who drive the industry. These managers are also responsible for meeting the sales goals set for their stores. This daily frontline experience gives them a unique outlook on the true state of retail.

LMC, which operates approximately 125 shopping centers across a broad range of markets in five key states, surveys the store managers of its 1,100+ tenants three times annually, gathering information on current sales and traffic numbers, and on manager sentiment.

The surveys also ask timely questions about hiring patterns, the evolving impact of ecommerce, key events and other socio-economic factors that may be influencing performance.

In addition to the Mid-Year poll, the surveys are traditionally conducted in October/November, gauging expectations and plans for the holiday season, and in January, exploring outlooks for the coming year.

About Us

For more than 70 years, LMC serves as a trusted single-source commercial real estate services provider for institutional and private owners, maintaining a diversified portfolio in the Northeast and Mid-Atlantic states. All LMC clients, and each property in its portfolio, benefit from the firm's experience, relationships and fully integrated approach – from leasing, to development and renovations, to property operations, marketing and more. Levinmgt.com

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