2026 RESEARCH RESULTS

LEVIN MANAGEMENT

Midyear Retail Sentiment Survey Results

Key Takeaways

Retail performance held steady
61.6% of retailers reported flat or higher year-to-date sales, and **63.9%** reported flat or higher customer traffic.

Cost pressures remain the top challenge
Cost of goods/supply chain **46.9%** and labor/staffing **45.5%** lead retailer concerns.

Retailers are optimistic for H2 2026
71%+ expect sales to hold steady or improve.

Technology investment keeps climbing
Nearly one-half **47.8%** reported making new technology investments this year, continuing a steady increase from 38% in 2024.

AI adoption has gone mainstream
66.4% are using, testing, or exploring it; 25.6% already use it daily.

Omnichannel expansion continues
Omnichannel fulfillment continues to expand — BOPIS remains strong as the most widely offered service **50.3%**, while curbside pickup **37.8%** and local delivery **39.9%**.

Retailers are shifting toward visually driven platforms
Instagram remains the leader **70.4%**, while TikTok has climbed to **42.4%** since first being tracked in 2022 20.6% and Facebook has declined from 93.9% in 2014 to **62.4%** today.

SURVEY METHODOLOGY

Levin Management Corporation received 151 responses from store managers and business operators across its retail portfolio for the 2026 Mid-Year Retail Sentiment Survey.

The survey measures current retail performance, operational challenges, technology adoption, marketing trends and retailer expectations for the second half of 2026. Historical comparisons are included where applicable to identify long-term trends.

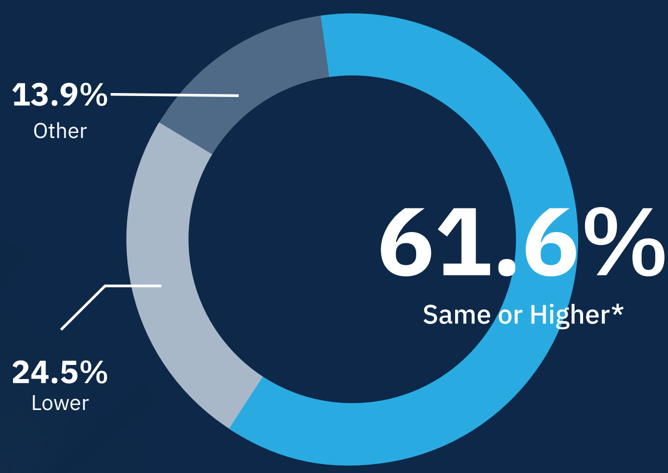
RECENT PERFORMANCE

Retail Performance Holds Steady, With 61.6% Retailers Reporting Flat or Improved Results

Question asked

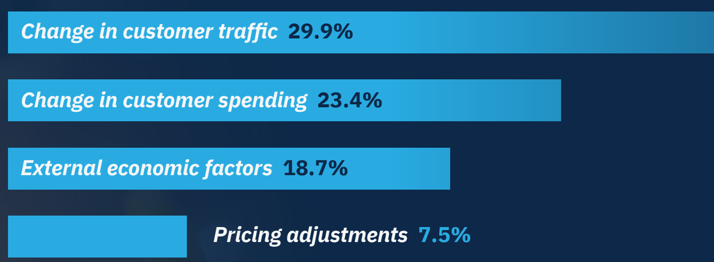
"Please compare year-to-date sales and traffic to last year at this time."

SALES

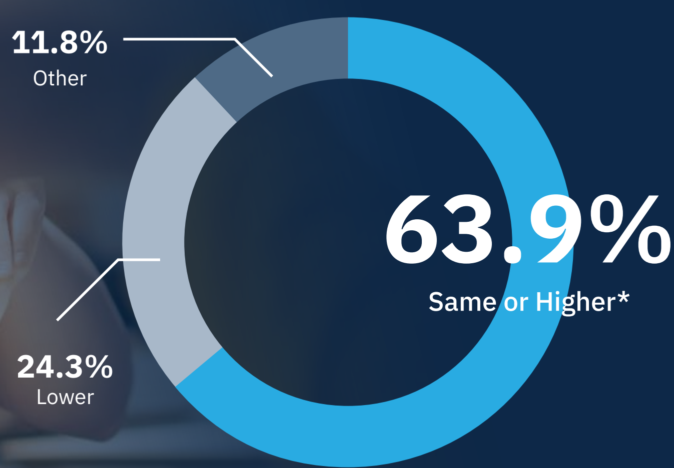


** (Same: 27.3% + Higher: 34.3%)*

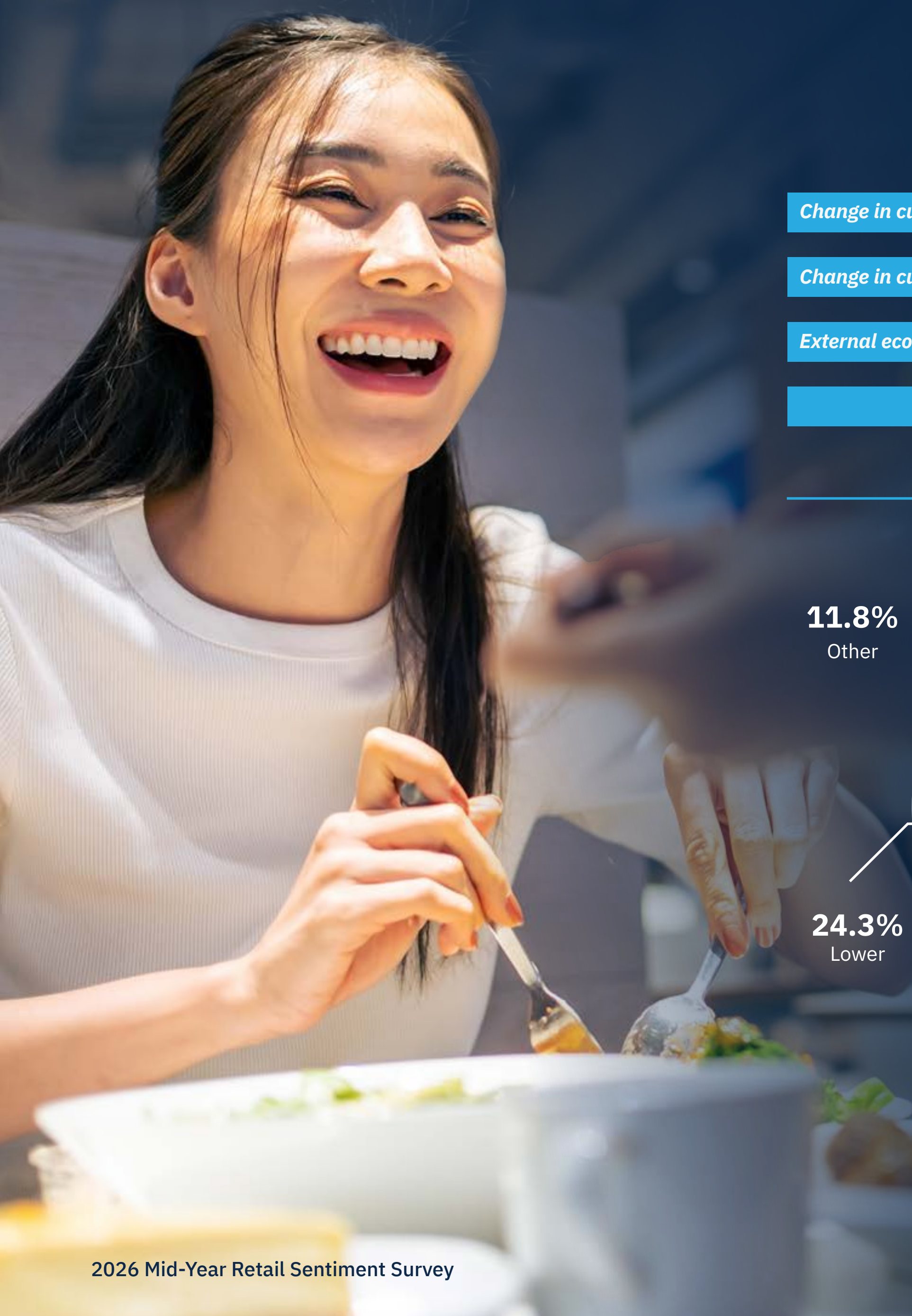
If Higher or Lower, Primary Reason



TRAFFIC



**(Same: 33.3% + Higher: 30.6%)*



CURRENT BUSINESS CHALLENGES

Cost of Goods and Labor Remain Retailers' Top Operational Pressures

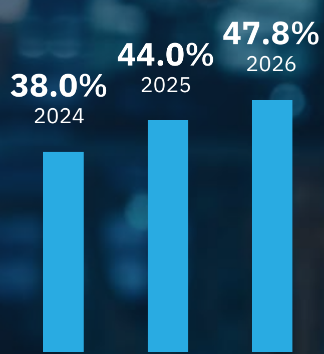
Question asked:

"What are the biggest challenges impacting your business right now? (Respondents selected up to 3)"

Technology Investment Keeps Climbing — Up for a Third Straight Year

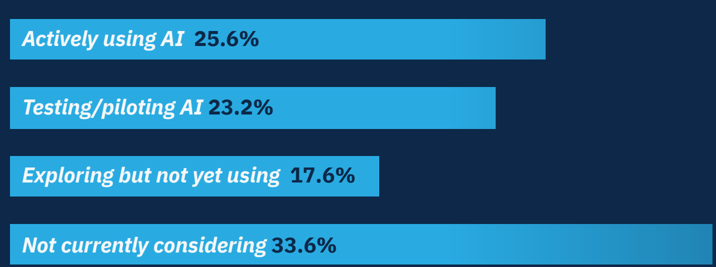
Question asked:

"Is your company making new technology investments this year?"



PERCENTAGE OF "YES" RESPONSES OVER TIME

AI Adoption Has Gone Mainstream, With Two-Thirds of Retailers Now Using, Testing or Exploring It



Question asked:

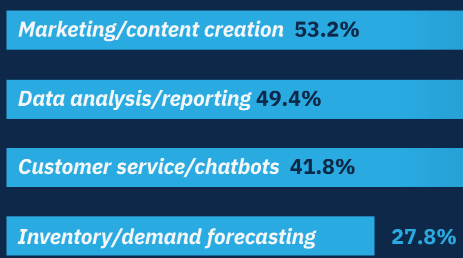
Which statement best describes your use of AI?

TECHNOLOGY & AI

Marketing and Data Analysis Lead the Way Retailers Are Putting AI to Work

Question asked:

"If using or testing AI, where is it being applied?"



> Our survey shows retailers making strategic investments in technology, AI and omnichannel capabilities that strengthen operations, enhance the customer experience and position them for long-term growth. Even as retailers continue managing operating cost pressures, they're investing in tools that improve efficiency while reinforcing the importance of the in-store experience.

Matthew K. Harding
Chief Executive Officer | Levin Management Corporation

OMNICHANNEL & FULFILLMENT

While BOPIS leads, convenience wins across the board

Question asked:

“Which fulfillment options does your business offer?”

50.3%
offer Buy Online, Pick Up In-Store (BOPIS)

39.9%
offer local delivery

37.8%
offer curbside pickup

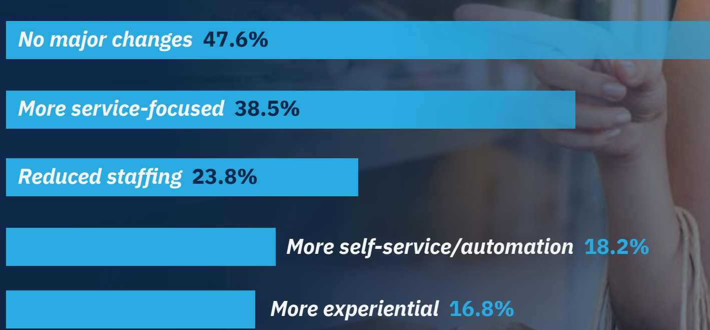
28.7%
offer ship-from-store

IN-STORE EXPERIENCE

Customer service remains a primary area of focus, supported by selective operational enhancements

Question asked:

“How has your in-store experience changed during the past 12 months?”

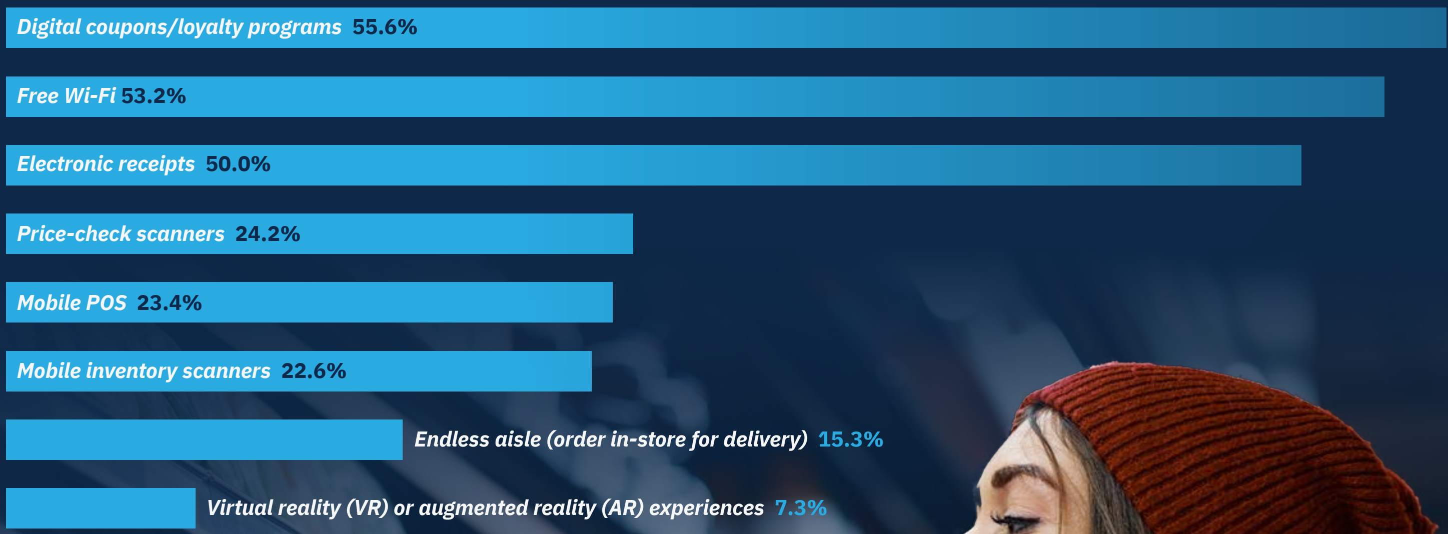


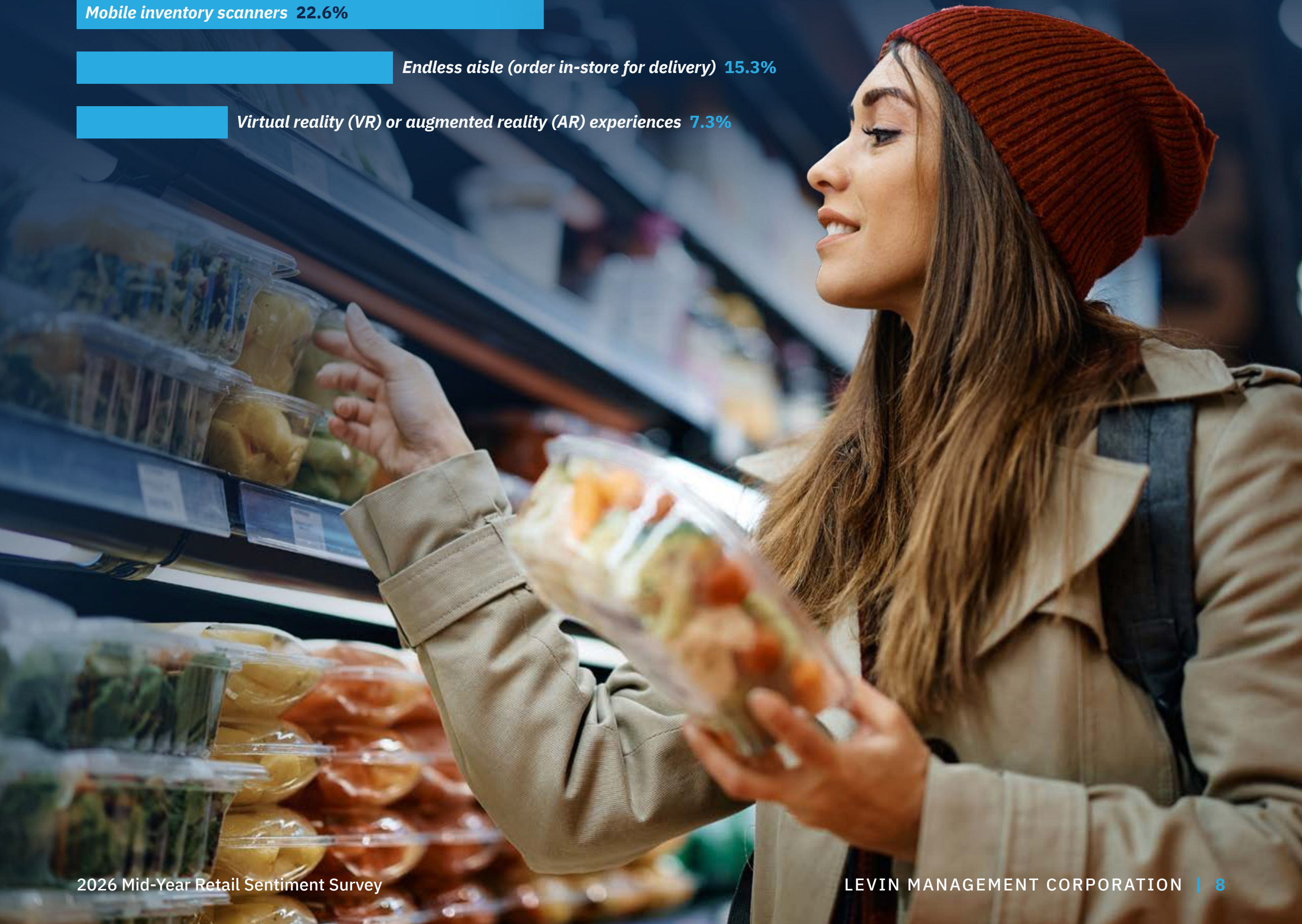
IN-STORE CUSTOMER TECHNOLOGY

Retailers continue investing in practical technologies that improve convenience and streamline operations

Question asked:

"Which tools does your business use in-store?"



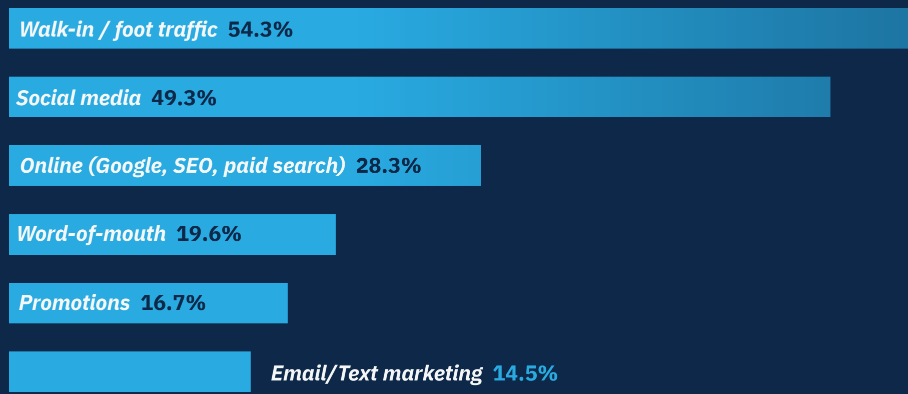


DIGITAL MARKETING & CUSTOMER ENGAGEMENT

Foot Traffic and Social Media Remain Retailers' Top Customer-Acquisition Channels

Question asked:

"Which are currently the most important ways your business attracts customers?"



"One of the greatest strengths of conducting this survey for more than a decade is the ability to see how retailer priorities evolve alongside changing consumer behavior. The shift in social media is one of the clearest examples. Over the years, we've seen retailers diversify from relying primarily on Facebook to embracing platforms like Instagram and TikTok as they adapt their marketing strategies to better engage today's consumers."

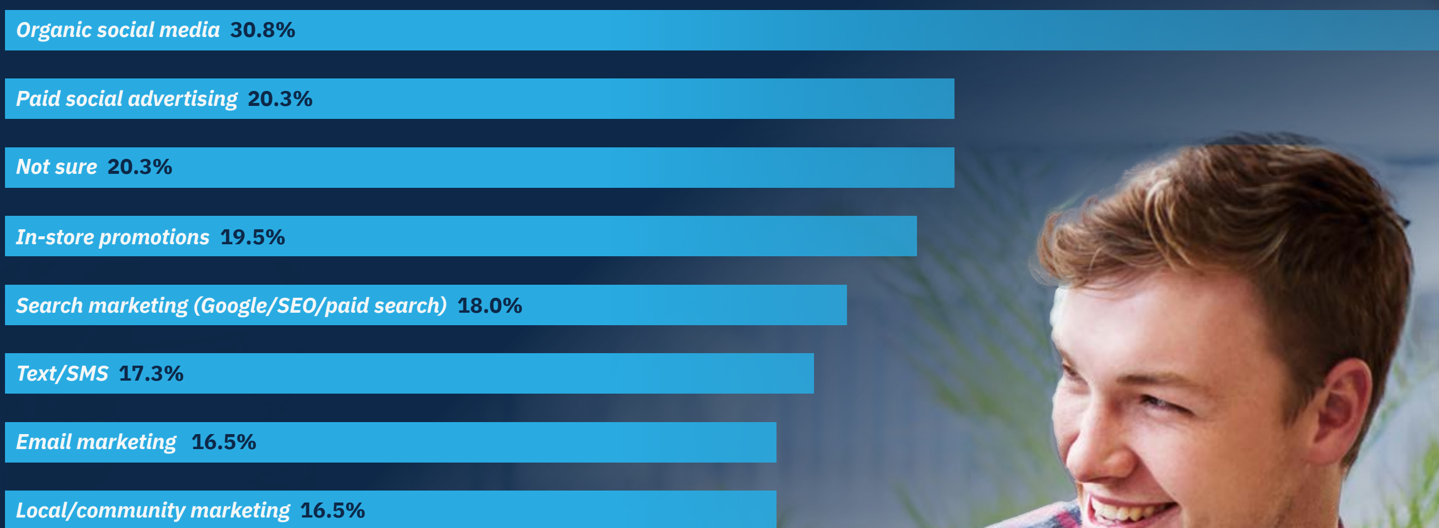
Melissa Sievwright
Vice President, Marketing & Corporate Communications
Levin Management Corporation

DIGITAL MARKETING & CUSTOMER ENGAGEMENT

Social media remains a key marketing tool, supported by search, promotions and local outreach

Question asked:

"Which channels deliver the strongest ROI?"



SOCIAL MEDIA
& COMMERCE

Instagram and TikTok Continue to Gain Ground as Retailers' Social Media Strategies Evolve

Question asked:

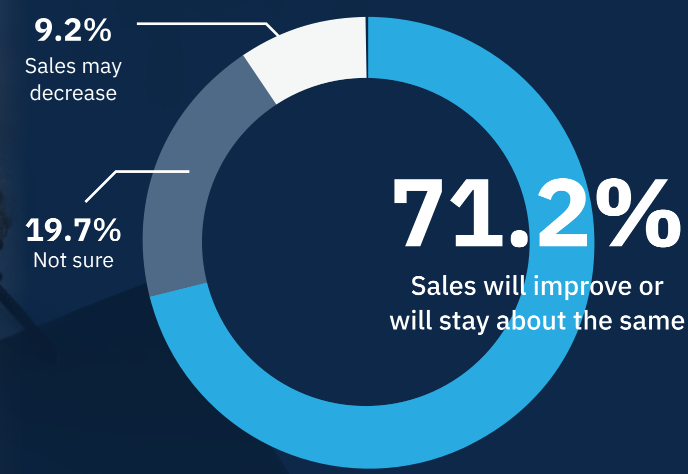
"Which platforms are you currently using?"

LOOKING AHEAD

Retailers Remain Optimistic Heading Into the Second Half of 2026

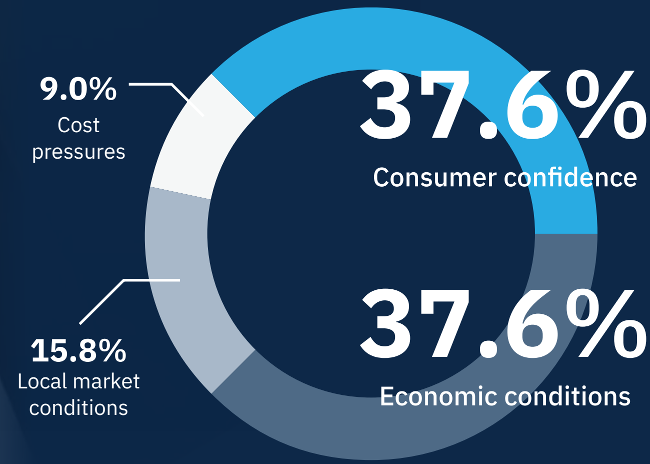
Question asked:

"How do you expect the second half of 2026 to compare to the first half?"



Question asked:

"What is the primary factor influencing your outlook?"



Conclusion

The 2026 Mid-Year Retail Sentiment Survey shows a retail portfolio that is stable, adapting, and investing with intent.

Sales and traffic held steady for roughly six in 10 retailers, even as cost of goods, supply chain, and labor pressures remained the dominant operational challenges. Rather than pulling back in response, retailers are leaning into efficiency and growth — nearly half made new technology investments this year, continuing a three-year upward climb, and two-thirds are now using, testing, or exploring AI in day-to-day operations.

That same forward posture shows up in how retailers reach customers. Omnichannel fulfillment keeps expanding, led by BOPIS as the most widely offered option, while marketing strategies continue to shift toward the platforms — Instagram, TikTok, organic social — where today's shoppers actually spend their time.

Heading into the second half of 2026, retailers are optimistic: more than seven in 10 expect sales to hold steady or improve. Since 2011, this survey has tracked how retailer priorities shift alongside changing consumer behavior — and this year's pattern is clear. The retailers investing in technology, AI and customer convenience now, ahead of when it becomes standard practice, are the ones positioning themselves to lead through the second half of 2026 and beyond.