

RESEARCH 2025

OUTLOOK RETAIL SENTIMENT SURVEY

FAVORABLE OUTLOOK ENTERING 2025

| Historically high optimism

| Strong annual and holiday
sales performance

| Change-led
adaptations



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**| SOLID SALES RESULTS
= POSITIVE SENTIMENT**

75.7% | Survey high – optimistic
about 2025 performance

76.1% | 2024 Annual sales same/higher YoY
(trailing average 61.6%)

73.6% | Holiday sales same/higher YoY
(trailing average 66.0%)



| TOP BRICK-AND-MORTAR ADVANTAGES

#1 | Customer service and support

#2 | Social experience of in-person shopping



| CREATING DISTINCTION THROUGH CHANGE

**44.1% | Adapting for
competitive advantage**

**Top adaptations leverage physical
retail advantages:**

**72.3% | More training and focus on
customer experience**

**36.9% | Increased community
programs and engagement**

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THE RISING TIDE OF AI

Among retailers' adaptation strategies, AI is on the rise

2025 | 29.2% have plans involving AI

2024 | 14.6% reported plans involving AI

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| INDUSTRY DRIVERS

What do retailers expect will have the biggest business impact in 2025?

#1 | Inflation/rising prices

#2 | The economy/consumer confidence

**#3 | Shifting consumer expectations/
shopping patterns***

*Displacing supply chain/inventory availability a “top three” driver since 2022



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| A NOTE ON INFLATION

While still top of mind, inflationary increases are easing:

24.2% | did not raise prices last year ('24 Outlook: 22.5%; '23 Outlook: 18.8%)

Of those who did raise prices:

25.4% | expect further increases ('24 Outlook: 30.4%; '23 Outlook: 34.7%)

| 2025 GROWTH PLANS

40.9% | Currently hiring

17.0% | Anticipate expanding,
renovating or reformatting

22.0% | Expect to open
additional locations

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/ TAKEAWAYS

Retailers are entering 2025 with historic optimism, fueled by strong annual and holiday sales performance and a focus on adaptation and innovation. Brick-and-mortar remains strong, with customer service and social experience as key advantages. AI adoption is on the rise, and inflation concerns are easing, though economic factors and shifting consumer expectations remain top industry drivers. Growth is a priority, with many retailers hiring, expanding, and enhancing physical stores to stay competitive in the evolving retail landscape.

/ ABOUT THE SURVEY

Levin Management Corporation's (LMC) **Retail Sentiment Survey** provides a real-time, street-level perspective on the strength of the American economy, offering insights straight from the frontlines of retail.

Retail store managers play a pivotal role in the industry—engaging with consumers daily, monitoring shopping patterns, and striving to meet sales goals. This firsthand experience makes them uniquely positioned to assess the true state of retail performance and consumer confidence.

LMC, a leading retail real estate services firm with approximately 125 shopping centers spanning key markets across five states, surveys store managers from its 1,100+ tenants three times a year. These surveys capture critical data on sales trends, foot traffic, and manager sentiment, while also exploring timely topics such as:

- Hiring patterns and workforce challenges
- The evolving impact of e-commerce
- Key economic events and socio-political factors shaping retail performance

Each year, LMC conducts three surveys:

- **January:** Retail Outlook Survey, gauging industry confidence for the year ahead
- **May:** Mid-year Technology & Sales Trends analysis
- **October/November:** Holiday Season Expectations & Planning

These insights help retailers, property owners, and industry stakeholders navigate emerging trends, anticipate challenges, and identify opportunities in today's evolving retail landscape.

For more details on the latest findings or to explore past survey results, visit LMC's Newsroom at levinmgt.com.

About Us

For more than 70 years, LMC has served 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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