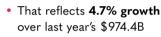
Retail: Q4 2022 Expectations

Wrapping up another year filled with so much uncertainty and challenge for retailers-the 2022 holiday season will be a complex picture. On one hand: the pandemic has abated, and many consumers are ready to celebrate after two years of serious disruptions; renewed in-person events will spark spending. On the other hand: high levels of inflation and a downbeat economic picture will negatively impact spending. Overall, consumers have proved resilient over the past two and a half years and while we won't see the 16.2% growth of last year, the 2022 holiday season is expected to be positive-though stretched out over a longer timeframe.

RILLION

(Generally) **A POSITIVE PICTURE**

Retail sales are expected to exceed this mammoth number for the first time ever



 Adjusted for inflation, however, 2022's expected figure represents an overall contraction of -1.8%

THE INVENTORY ISSUE

Many retailers hold difficult inventory positions, sparked (broadly speaking) by consumers' quick shift toward travel and services in 2022. Expect them to pull sales forward to mitigate risk

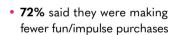
However, consumers are still purchasing more goods than they were pre-pandemic-



EXPECT THE INFLATION IMPACT



The percentage of consumers who reported (in May) that rising inflation had impacted their personal spending



• But, but, but: consumer sentiment has improved since May







OMNIPOTENT OMNICHANNEL



82% also expect to shop from Amazon -the highest figure for a retailer



SEEKING NEW SALES

- **75**% of consumers say they are more focused on finding deals thanks to inflation
- 45% expect to do most of their shopping before Thanksgiving. Consumers want a sale, but they also want to shop earlier; we expect peak week's emphasis to soften



CONSCIOUS CONSUMERISM IS STICKY

 34% of consumers report they will shop local or small businesses to support their communities

 20% will support a specific retail or brand because it takes care of its employees, is minority-owned, or is affiliated with a charity



THE CHANNELS THAT INFLUENCE PURCHASE



of consumers are influenced to purchase by personal recommendations

Sales events and promotions influence 48%



Media ads influence 51% of consumers -and Gen Z and Millennials are more influenced by media than older generations

