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To whom it may concern:

Thank you for the opportunity to provide the committee with an update on retail's current situation following eighteen months of COVID-19 pandemic.

Oklahoma's apparel and discretionary retailers are working overtime to regain/maintain profit levels or are recapitalizing and facing a heavy debt load.

Entering 2020, Oklahoma discretionary retailers were facing challenges on multiple fronts. The ongoing coronavirus (COVID-19) pandemic is exacerbating these challenges and creating new ones that further squeeze retailers' profits. Factors already contributing to retail cost pressures and profit squeezing include:

- Increasing rent and labor expenses
- Declining in-store foot traffic
- Reduced overall category spend
- Intensified competition
- Higher rates of organized retail crime

Traditionally, many consumers are accustomed to purchasing apparel and other discretionary items on sale, in stores, and with high-touch customer service. The COVID-19 pandemic has exponentially accelerated the changes to Oklahomans' buying habits by as much as five years.

Today's consumer trends are quite different than those just six months ago. Having redefined expectations for convenience and value, today's consumers are likely unwilling to return to their past purchasing habits and lower their expectations to previous levels.

Retailers currently thriving in the apparel and discretionary spend market—even during the pandemic—are doing so because they are delivering goods and services in ways that are meeting consumers' redefined expectations for convenience and value. These companies are migrating to agile, efficient delivery models that can quickly adapt to changing market conditions, using cost savings to fuel innovation. They're also investing in strategies to enhance the consumer experience.

Policymakers and influencers wishing to provide support would do well to participate and encourage experiential shopping through local events and buy local campaigns whenever possible. Additionally, policymakers at all levels should take caution in making new policy changes that could negatively impact consumer access, attitude, and resources. Whenever possible, these policies should be delayed until the economy and retailers can afford to accommodate them.