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Retailers Predicting Highest Sales On Record for 2021 Holiday Season

[Annapolis, MD] – Retail holiday sales in 2021 are expected to increase between 8.5-10% over the 2020 holiday season according to the National Retail Federation. Since 2009, sales in the industry have grown each year with the high reaching 8.2% in 2020 over 2019. Despite the ongoing global COVID-19 pandemic and many factors influencing economic unease such as supply chain issues, rising inflation, workforce shortages, and rising costs, consumer demand will be at the highest level ever. This is largely impacted by consumers spending less on travel, experiences, and dining out during the pandemic. Online sales are also projected to increase between 11-15% again as consumers are growing more accustomed to digital channels.

“Although online sales continue to boom and are a huge part of holiday shopping, brick and mortar is doing well,” said Cailey Locklair, President of the Maryland Retailers Association. “Consumers should be reminded to support local stores as much as possible as they impact our communities with jobs and tax revenue to support the things we all care about.”

Consumer spending will continue to increase with a projected average of \$1,463 spent on holiday gifts, décor, and other items. Clothing and accessories, electronics, and gift cards are slated to be the highest spend categories this holiday season. Additionally,



MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



data from NRF's consumer survey showed that a majority of consumers plan to spend for the holidays online and with mass merchants. Independent stores followed with off-price stores closely behind.

For the past couple of years, businesses across Maryland were cautiously optimistic about the holiday season. However, the majority of our members felt they would have strong holiday seasons this year when surveyed. Many retailers are banking on higher consumer traffic on exclusive sales and options to buy online and ship to their stores for pick-up as well as personalized, in-store experiences that cannot be replicated via online shopping. Top concerns cited by our members included supply chain issues and weather.

“Digital shopping is undoubtedly here to stay, but in-store shopping will regain some lost ground this season,” said Ms. Locklair. “As concerns with the pandemic have eased, the seven-year low we saw at brick-and-mortar stores during the season last year will reverse. However, consumers prefer delivery to all shopping methods and will look to the internet for inspiration and research.”

MRA's holiday forecast is based on member surveys in conjunction with a review of the National Retail Federation's holiday forecast, consumer trends, and historical retail sales data.

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