



independent shopkeepers association

52 STATE OF 20 RETAIL

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A NOTE FROM OUR EXECUTIVE DIRECTOR.

CLÉO NASH



Each year, the State of Retail gives us an honest snapshot of how Oklahoma's independent shops are faring. It reflects both the promise and the pressure of independent retail. The 2025 report tells a clear story: local shops remain among the most productive and resilient businesses in our economy but they are being stretched thinner than ever.

This year's study looks different from the record-breaking growth we've observed post-pandemic. Sales are rising much more slowly than previous years while costs are climbing nearly three times faster. The gap is not a minor detail. It is the margin that determines whether a shopkeeper can hire staff, reinvest in their store or simply keep the lights on. In short, shops are working harder, selling more but often taking home less. Slim margins have always been the reality of local retail but 2025 shows just how fragile that balance has become.

Looking back at 2024, their productivity was unmatched. Their year-over-year growth outpaced Walmart, Target and triple the national average. Independent retailers are proving, again and again, they deliver more value per square foot than some of the biggest names in retail. No other sector of Oklahoma's economy is delivering that kind of return in such compact spaces.

But behind this year's numbers lies a harsher reality. Tariffs and rising wholesale prices are hammering shopkeepers, making supply chains less reliable. Some suppliers have stopped shipping small orders to local shops, cutting off access to certain products. Others deliver shipments as usual, only for shops to receive surprise duty bills months later, long after goods have been sold.

As a result, for the first time in years, nearly nine in ten shopkeepers say they have raised or plan to raise

prices just to keep pace. That shift is not about chasing higher profits, it is a sign of just how little room is left to absorb costs without passing them on to customers.

Behind every data point is a shopkeeper making tough calculations: how to absorb rising costs without losing customers, how to balance growth with sustainability, how to manage the strain of doing more with less.

For five years, the State of Retail has documented with concrete data what shopkeepers have long known: independent retailers are one of Oklahoma's greatest economic assets. They consistently punch above their weight, outperforming national competitors on efficiency and community impact. They anchor neighborhoods, attract tourists and keep money circulating locally.

But in 2025, that strength is colliding with pressures far outside their control. Our smallest businesses are carrying the weight of global trade policies and inflation that were never designed with them in mind. Their resilience remains remarkable but resilience alone cannot fix structural inequities. And their resilience should not be mistaken for unlimited endurance.

The numbers in this report are more than just statistics, they are signals. Signals that remind us how much we stand to lose if independent retailers are left to absorb rising costs on their own and signals that reinforce the need for renewed commitment - from policymakers, from consumers and from communities.

Unless we recognize the disproportionate burden placed on these small businesses, we risk weakening one of the most vital parts of Oklahoma's economy. With meaningful support, these shops will continue to enrich Oklahoma's economy in ways that national chains cannot replicate. The question is whether we give them the conditions to keep doing so.

AT A GLANCE.

FROM RECORD HIGHS TO RISING COSTS: THE STORY OF INDEPENDENT RETAIL IN 2025.

2024

+12.98%

Year-over-year growth in 2024. Three times the national average.

Higher growth than Amazon, Walmart and Target.

Record-high sales per square foot.

2025

+6.2%

Year-over-year growth in H1 2025. Slowest growth since 2020.

+18.6%

Rise in expenses in 2025.

89% of respondents have raised or plan to raise prices.

Tariffs, sourcing and inflation are top concerns in 2025.

2 out of 3 shops have seen their profit margins shrink.



Online Competition

62.7% of retailers cite online giants as their top threat.



2025 Outlook

28% of respondents project a decrease in sales in 2025.



Sourcing

One out of two shops are sourcing from different suppliers.



Competitive Wages

Metro shops now pay an average hourly rate of \$17.77. Much higher than wages at national retail chains.



Slow Staff Growth

Close to 10% of respondents cuts staff this year, the highest share since 2020.



Government Support

Shops' level of confidence in government support has dropped.

WHAT IS THE State of Retail Study?

THE STUDY

To better advocate for independent shops in our state and to ensure we can all contribute to the growth of local retail by creating a healthy business climate for this important industry, we need to first understand the state of independent shops in Oklahoma.

Each year, the Independent Shopkeepers Association (ISA) conducts an in-depth Shop Census, collecting data from independently-owned local shops throughout Oklahoma. This Census is a foundational step in identifying the challenges, needs and contributions of these micro-businesses to our economy. Through this survey, we gather and study data points to quantify the impact and importance of local shops in our communities.

In 2025, 86 shop owners, ranging from clothing stores to home goods and specialty shops, participated in the Shop Census. These businesses span both large metro areas like Oklahoma City and Tulsa, as well as smaller towns like Muskogee, Woodward and Altus. All respondents are independently-owned shops with a brick-and-mortar store located in Oklahoma and answered up to 75 questions.

Looking through the results from this diverse set of shops gives us a glimpse into the state of independent retail in Oklahoma in 2025 and a better understanding of their strengths and challenges.

ISA's first State of Retail study, published in the summer of 2020, was a landmark report. It not

only arrived at a critical time but also marked the first comprehensive effort to collect and analyze data specific to Oklahoma's independent retail industry. To this day, ISA's State of Retail remains the only in-depth study of this key economic driver in our state.

This year's edition is our sixth and we now have the ability to present not just the current state of independent retail but also how it has evolved over the past four years.

Whether you are a shopkeeper wanting to benchmark your business against your peers, or a leader and policy-maker looking to better understand the independent retail industry to support their growth, the State of Retail Study is a tool for you to refer back to as we navigate the end of 2025 and approach 2026.

ABOUT ISA

The Independent Shopkeepers Association is a 501(c)(6) non-profit organization launched in 2020 to support independently-owned shops in Oklahoma through education, advocacy and promotion. With 95 members across the state, we provide a platform for shop owners to grow together. If you are a shop interested in joining or an organization looking to collaborate, visit our website or send us an email at the address below.



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A NOTE FROM OUR BOARD CHAIR. KIRSTEN HOLDER

I moved to Oklahoma City from Detroit, Michigan in 2007, just before the OKC Thunder began their first season. At that time, much of the city's landscape, including the local business scene was snowballing into the growth we see today. It's been a thrill watching the renaissance Oklahoma City has experienced in the past several years.

My life has also changed immensely since becoming an Oklahoman. I married into a family that has owned and operated a small business for nearly 75 years. Then, my husband and I were blessed to welcome our first child, only to weather new parenthood and the changing job market during the pandemic. Along with so many other Millennial parents, my new motherhood and newfound career identity made me question whether the strict in-office workplace (with overtime requirements) was the best fit for me and my family.

Why do I tell you this and how does it relate to ISA and small businesses? Because I'm learning my story isn't unique. So many professionals are asking questions about what work-life balance means and what is truly worth working for. A generation that is asking the question "why?" is paired with statistics that show the most educationally-advanced members of the workforce do not represent the majority of corporate working professionals.

The Pew Research Center reported that 47% of U.S. women ages 25-34 hold a bachelor's degree compared to 37% of men¹. This ratio has been consistent for decades, and yet, women represent only 48% of employees entering the corporate workforce² (Harvard Business Review). The pandemic only exacerbated these stats and its results have been long-lasting (cue the "Great Resignation"). More than 400,000 women left the U.S. workforce in the first half of 2025, according to a University of Kansas analysis of Bureau of Labor Statistics data³. It's the steepest decline in more than 40 years and many included in those numbers were mothers of young children.

I had the pleasure of discussing this pain point with Cléo Nash, the Executive Director of the Independent Shopkeepers Association, as well as Paige Beal, owner of Tulips Home & Gift in Norman on MetroFamily Magazine's Raising OKC Kids podcast. In case you missed it, listen anywhere you find your podcasts or watch along on YouTube. In this podcast, we discussed trends that display hope and solutions. The US Small Business Administration Office of Advocacy reports that a vast majority of small business owners and employees are women (42-46%). Further, small businesses accounted for 51.7 percent of Oklahoma employment in 2018, which far exceeded the national share⁴. For those seeking more meaningful and autonomous work, independent businesses provide wonderful opportunities for work-life balance and are a pivotal cornerstone to our state's economy as well.

I hope the local business owners who are reading this will internalize this powerful message. Every day you bear the stress of finances, cranky customers, supply shortages and so much more. Those stressors aren't for not! The opportunities, leverage and vibrancy you provide to the state of Oklahoma and the families that reside here are absolutely invaluable.

When I look back on nearly two decades of being an Oklahoman, I can't help but be filled with pride. The place that was once referred to as a "flyover state" has defied odds and gained championship recognition with the OKC Thunder. National news outlets have put us on the world's stage, which in turn has spotlighted our local businesses with all the art and creativity that has become our state's identity.

As members of this community, the work we do and the buying choices we make to support small business and organizations like ISA is more wide-reaching than simple wish lists at Christmastime. We are building a movement that reinforces dreams, provides improved options for families and sets the bar sky high for the next generation

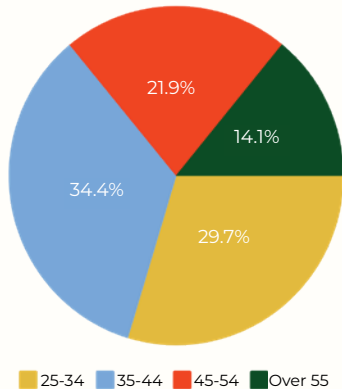
THE Shopkeepers.

Two-thirds of shop owners surveyed are between the ages of 25 and 44, with the 35-44 group now making up the largest portion at 34.4%. Age continues to shape the geographic divide: in metro areas, 67.9% of shop owners are under 45, while in rural regions, 58.3% are 45 and older.

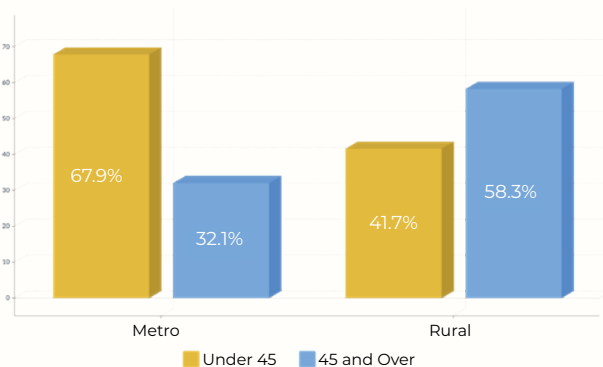
Women continue to make up a strong majority of respondents (79.1%), aligning with national trends where retail is a leading industry for women-owned businesses.

Most respondents were born and raised in Oklahoma (70.3%), reflecting deep community ties. Education levels remain high, with eight out of ten shops holding a bachelor's degree or higher. One in three shops were minority-owned.

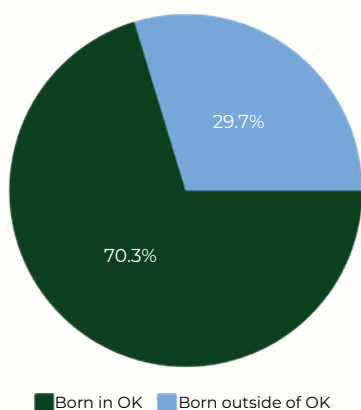
AGE



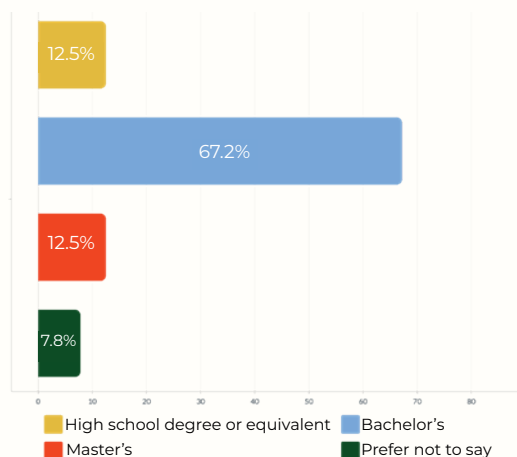
BY LOCATION



BORN AND RAISED



EDUCATION

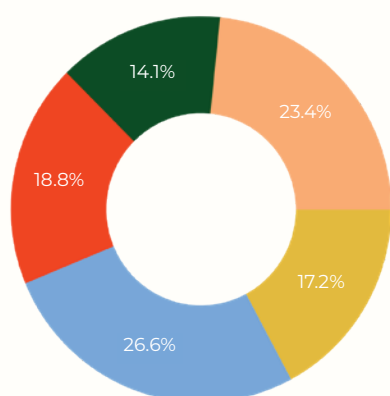


THE Shops.

Independent shops in Oklahoma show a healthy balance between newcomers and long-established businesses. The largest share of respondents (26.6%) have been open 3–5 years, showing strong recent growth, while nearly a quarter (23.4%) have been operating for more than 15 years, underscoring the long-term resilience of independent retail. By contrast, only 18.8% of shops fall into the 6-9 year range, a group that launched just before the pandemic and had to navigate COVID in their most vulnerable early years.

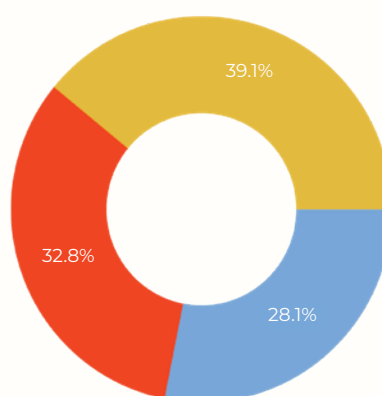
Specialty shops (covering niches like beauty, books, plants and soaps) remain the largest single category at 39.1%, followed by clothing (32.8%) and home goods (28.1%). Taken together, these figures point to a sector that continues to refresh itself with new openings while sustaining a core of veteran businesses: a sign of both momentum and stability despite recent challenges.

YEARS OPEN



■ Less than 2 ■ 3-5 years ■ 6-9 years ■ 10-14 years ■ 15+ years

CATEGORY



■ Home Goods ■ Clothing ■ Specialty

LOCATIONS

- | | | | |
|------------------|-----------------|--------------|--------------|
| 1. Oklahoma City | 5. Ardmore | 9. Woodward | 13. Muskogee |
| 2. Tulsa | 6. Ada | 10. Choctaw | 14. Elk City |
| 3. Norman | 7. Altus | 11. Marietta | 15. Crescent |
| 4. Edmond | 8. Collinsville | 12. Purcell | 16. Alva |

A rustic interior scene featuring a wooden desk, shelves, and a window. The desk is cluttered with various items, including books, a plant, and a basket. The shelves are filled with bottles and other objects. A window is visible in the background, and a green armchair is in the foreground.

I.

SALES & GROWTH.

SALES Per Sq. Ft.

\$290.70/sq ft
Overall Average

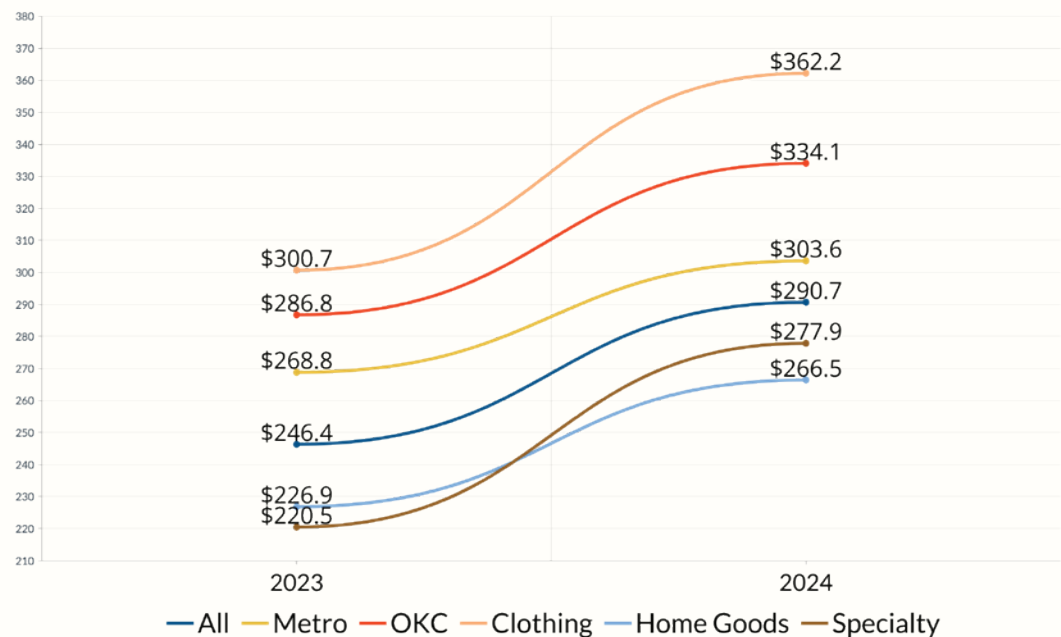
\$334.10/sq ft
Oklahoma City

Independent retailers may operate in smaller spaces but their productivity per square foot rivals and often surpasses national chains. In 2024, respondents reported an average of \$290.70 per square foot, up from \$246.40 the previous year. Shops in urban areas performed even higher at \$303.60 with Oklahoma City shops topping the chart at \$334.10 per square foot, above the national average of \$325. Clothing retailers were especially strong, jumping from \$300.70 in 2023 to an impressive \$362.20⁵ per square foot in 2024.

Independent retailers in Oklahoma are now operating at a level that not only matches but in many cases exceeds some of the most recognized names in U.S. retail.

This data continues to underscore a defining strength of local retailers: their ability to optimize smaller spaces and generate high returns. Far from being “small,” these shops are powerful economic engines, proving both their efficiency and their critical role in the state’s retail landscape.

SALES PER SQUARE FOOT 2023 VS 2024

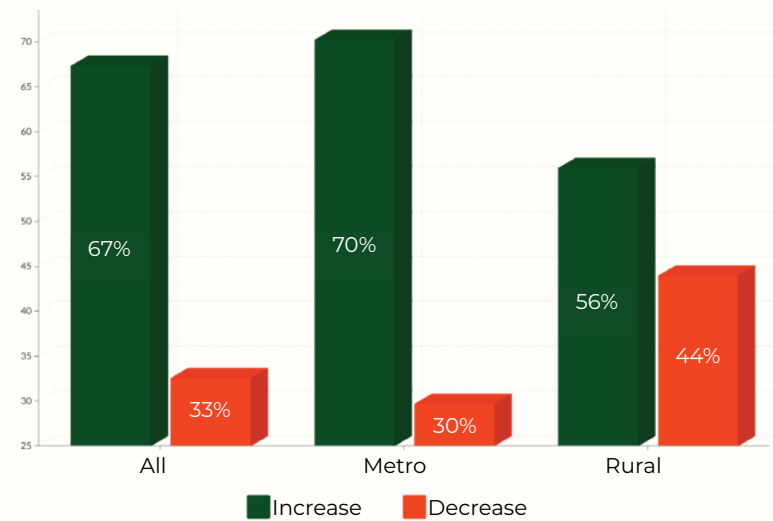
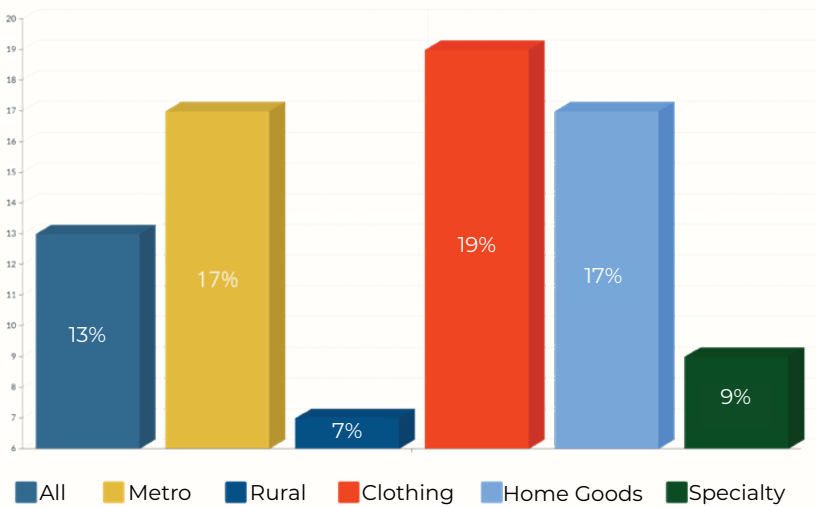


2024 Sales Growth.

Independent shops in Oklahoma turned in an exceptional year in 2024. On average, sales grew by 12.98% compared to the previous year, more than triple the national retail growth rate. Clothing stores led with an impressive 19% increase, while home goods shops followed closely at 17%. Even categories with slower growth, like specialty shops, continued to post positive numbers.

Two out of three respondents reported higher sales in 2024, with many experiencing double-digit gains. At an average of \$290.70 in sales per square foot, independent retailers in Oklahoma continue to outperform many of the nation's biggest chains. These results are proof that local shops are not only resilient but also powerful economic drivers whose collective impact deserves to be recognized alongside national giants.

GROWTH 2023-2024



+12.98%
Avg YoY Sales Growth



Novel Optical (Photo by Brooke Ferguson)

HOW DO OUR LOCAL SHOPS COMPARE TO NATIONAL RETAIL?

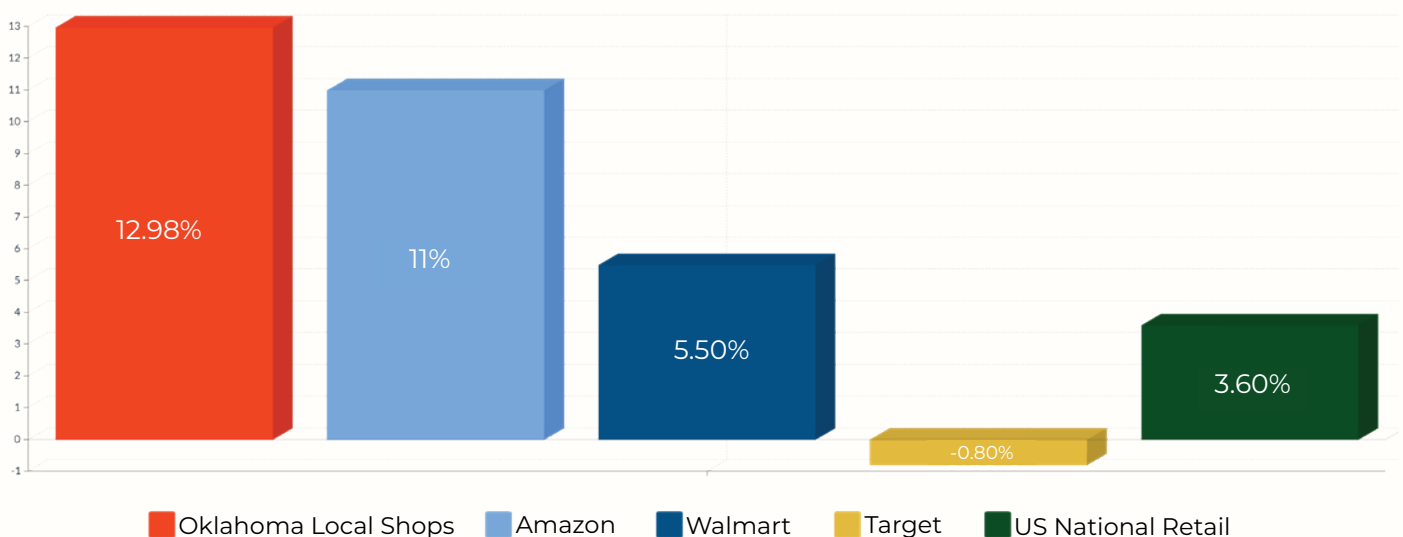
In 2024, Oklahoma's independent retailers posted sales growth of 12.98% year over year, more than triple the national average of 3.6%⁶. Even against the most dominant players, small retailers excelled. Walmart grew 5.5%⁷, Amazon 11%⁸, while Target saw a decline of 0.8%⁹. Viewed together, Oklahoma's independent retailers are not a collection of small actors but a sector whose combined performance outpaces some of the nation's most powerful brands.

The clothing sector offers a particularly striking example. Local shops recorded 19% growth in 2024, far surpassing traditional global fast-fashion leaders. Inditex (parent company of Zara and Zara Home) reported 7.5%¹⁰ growth overall, with Zara alone up 6.6%, while H&M managed just 1% growth¹¹. The strongest competitive pressure remains SheIn, whose global sales expanded by nearly 19% in 2024¹².

The data is once again undeniable. Independent retailers are not ancillary to the economy, they are a central driver of growth. Though spread across hundreds of storefronts rather than a handful of corporate headquarters, they deliver outcomes that rival and often exceed those of the largest corporations. Their strength lies in adaptability, efficiency and the loyalty they command from consumers who choose them over mass-market alternatives.

For policymakers, economic developers and investors, the evidence is clear: independent retailers deserve recognition and support equal to, if not greater than, that extended to retail giants. With deliberate investment and strategic policy, their role as an engine of growth could expand even further.

NATIONWIDE YEAR-OVER-YEAR GROWTH 2024



INDEPENDENT RETAIL IS A COLLECTIVE FORCE

For the past five years, Oklahoma's independent retailers have faced a near-constant cycle of disruption and adaptation. A pandemic that upended daily commerce. Inflation that pushed expenses higher than sales growth. Supply chain breakdowns, workforce shortages and online competition that only intensified. Each challenge forced shopkeepers to pivot quickly: new sales channels, new marketing strategies, new ways to serve their communities. Their resilience is undeniable. But resilience has limits and it cannot be their only defining trait.

The image of the lone shopkeeper, resourceful, independent, surviving on grit alone, captures only part of the truth. In reality, independent shops are deeply interconnected. They rely on each other to build thriving districts, on their neighborhoods for identity, on their customers for loyalty and on civic infrastructure to remain accessible and safe. What looks like independence is in fact interdependence, a web of relationships that sustains small businesses far more than raw determination alone.

That web, taken together, represents one of the most powerful economic forces in the state. Individually, a shop may employ a handful of

people or generate modest sales compared to a big-box store. But collectively, independent retailers anchor downtowns, fill main streets, create jobs, generate tax revenue and keep money circulating locally. Their combined sales and community impact rival, and in many cases exceed, the footprint of a new Costco or Dick's Sporting Goods. Policymakers often celebrate a single ribbon-cutting for a national chain but they should recognize that hundreds of independent shops opening their doors each morning represent just as significant an investment in Oklahoma's economy.

Oklahoma City's downtown provides the clearest proof. Its revitalization over the past few decades has been nothing short of remarkable: once-empty blocks now teem with life. Independent shops played a central role in that transformation. They were the first to believe in downtown's comeback, the first to invest when the streets were still quiet, the first to activate public spaces with retail, restaurants and culture. They gave people a reason to visit and then to return. Today, shopping, dining and gathering downtown remain some of the city's top draws, and virtually every retail storefront in the core is independently owned. That fact is not incidental, it is foundational to the city's success.

This raises an important question: if independent shops helped spark one of Oklahoma's most celebrated revitalizations, why does policy so often prioritize subsidies or incentives for the next big-box development on the edge of town? The same story playing out in downtown Oklahoma City is mirrored in main streets across the state. From Enid to McAlester, Muskogee to Woodward, independent retailers are the anchors that give people a reason to gather, visit and spend locally. Supporting them is not nostalgia, it is one of the most effective economic development strategies communities have at their disposal.

There are steps government can take to shift this dynamic. First, treat independent retailers as an industry worthy of investment, not just a collection of small businesses. This means ensuring representation in economic development policy, just as manufacturing, energy and agriculture have a seat at the table. Level the playing field on issues such as shipping and fees, where small shops absorb costs that large competitors can offset. Invest in the infrastructure that underpins retail districts: safe sidewalks, parking, signage and tourism promotion because shops cannot thrive if the neighborhoods around them are neglected. Finally, offer targeted relief and incentives to help independent retailers manage the rising costs of doing business, from tax credits for local investment to grants for innovation and community improvement.

The story of Oklahoma's shops is not just one of individual grit but of collective strength. They are resilient, yes, but together they are an economic force every bit as powerful as the corporations that dominate headlines. To treat them as anything less is to overlook one of the state's greatest assets. The past five years have proven that independent retailers will rise to every challenge placed before them. The question now is whether Oklahoma will rise to meet them with the recognition and support they deserve.

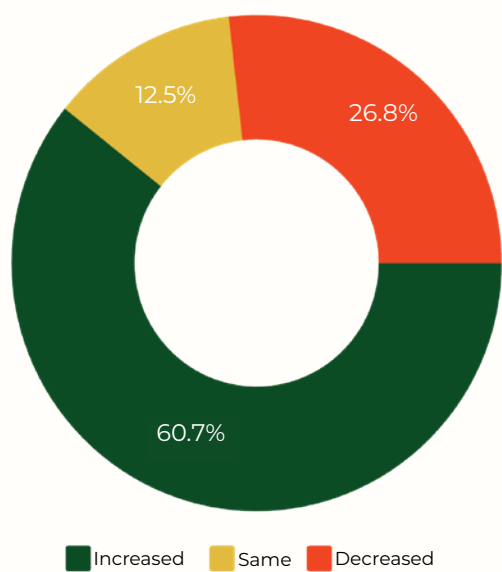


2025 First Quarter.

In contrast with 2024, independent retailers began 2025 with their slowest first-quarter growth since the pandemic. Sales were up just 5.2% year-over-year, less than half the growth seen in Q1 2024 (12.6%) and a sharp slowdown from the double-digit increases of the past two years. While a majority of shops (60.7%) still reported higher sales, more than one in four (26.8%) experienced declines, and 12.5% stayed stagnant.

By category, home goods (+6.4%) and clothing (+5.6%) led modestly, while specialty shops (+1.8%) struggled to gain traction. Geography added to the uneven picture. Non-core metro areas posted the strongest growth (+8.9%), while core metro shops grew more modestly (+4.6%). Rural retailers, however, saw sales fall by -5%, continuing the persistent challenges they have faced in recent years.

2024 Q1 VS 2023 Q1

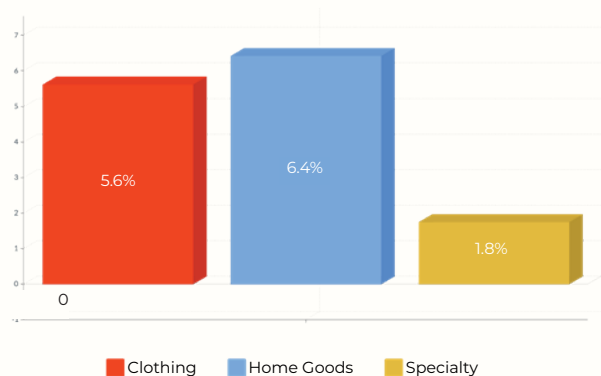


+5.2%
Avg YoY Sales Growth

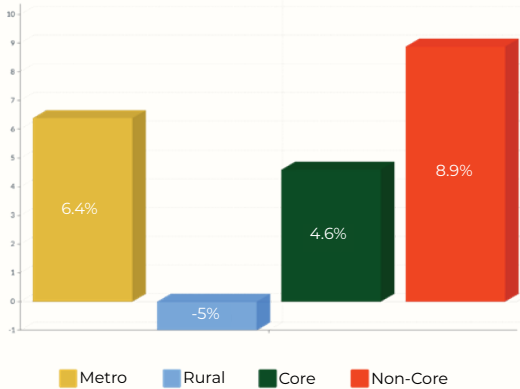


Farry Boutique

Q1 BY CATEGORY



Q1 BY LOCATION

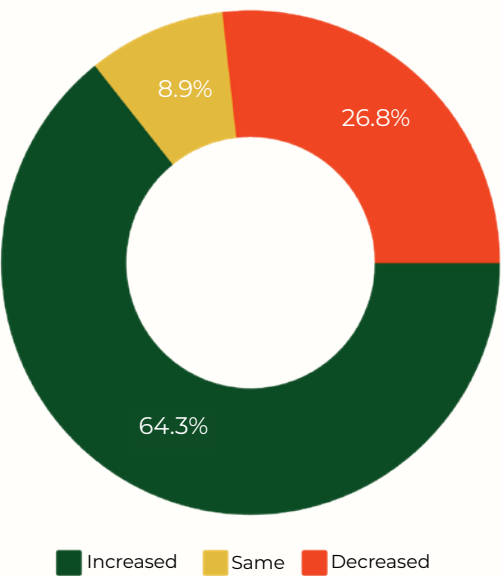


2025 Second Quarter.

The second quarter of 2025 continued to reflect slower momentum for independent retailers. Overall, shops reported a 7.1% year-over-year increase in sales from April through June, only about half of the 14% growth recorded in Q2 2024. While a majority of respondents (64.3%) still reported gains, more than one in four (26.8%) experienced declines, with another 8.9% reporting flat sales.

Performance varied widely across categories. Home goods shops led with 9.6% growth but clothing retailers (the strongest performers in 2024) slowed considerably to just 3.6% growth. Specialty stores saw 4.8% growth, also well below the double-digit increases of the prior year.

2024 Q2 VS 2023 Q2

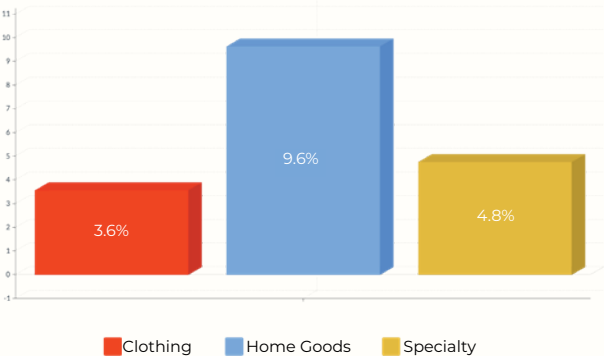


+7.1%
Avg YoY Sales Growth

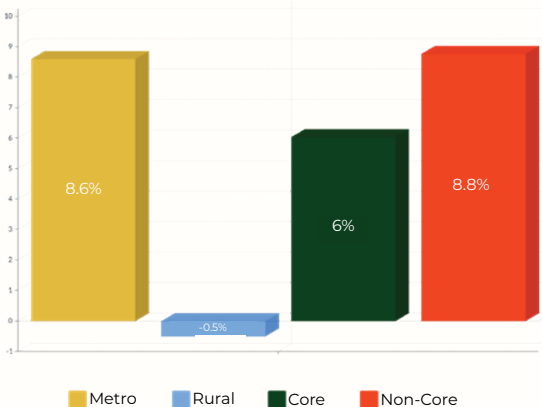


Addis Ceramics

Q2 BY CATEGORY



Q2 BY LOCATION



2025 So Far.

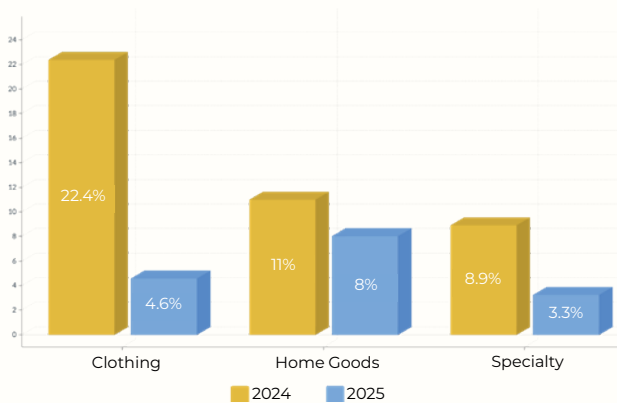
Independent retailers closed out the first half of 2025 with their weakest growth since the pandemic. Overall sales rose just 6.2% compared to the first half of 2024, less than half the 13.3% growth recorded a year ago and well below the double-digit increases that defined the previous three years.

Category results show how sharply momentum has cooled. Clothing stores, which grew in double digits in H1 2024, managed only 4.6% growth this year. Home goods stores slowed to 8% growth, down from 11% last year, while specialty shops posted just 3.3%, a steep drop from 8.9%.

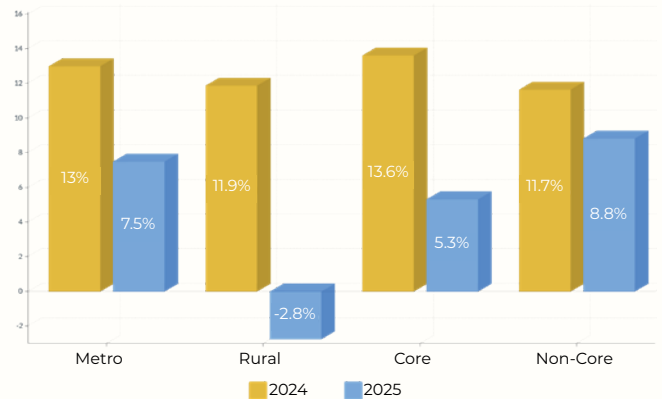
Location also shaped results. Metro shops grew 7.5% while rural retailers slipped into negative territory at -2.8%. Core metro shops grew just 5.3% while non-core areas posted 8.8% growth.

The contrast with previous years is stark. After three years of strong recovery, the first half of 2025 reflects both slower consumer spending and intensifying challenges for independent shops, especially in rural communities and in categories like specialty retail. Growth is still happening overall, but at a pace that signals headwinds and highlights how critical support will be if local retailers are to sustain the economic momentum they've built since COVID.

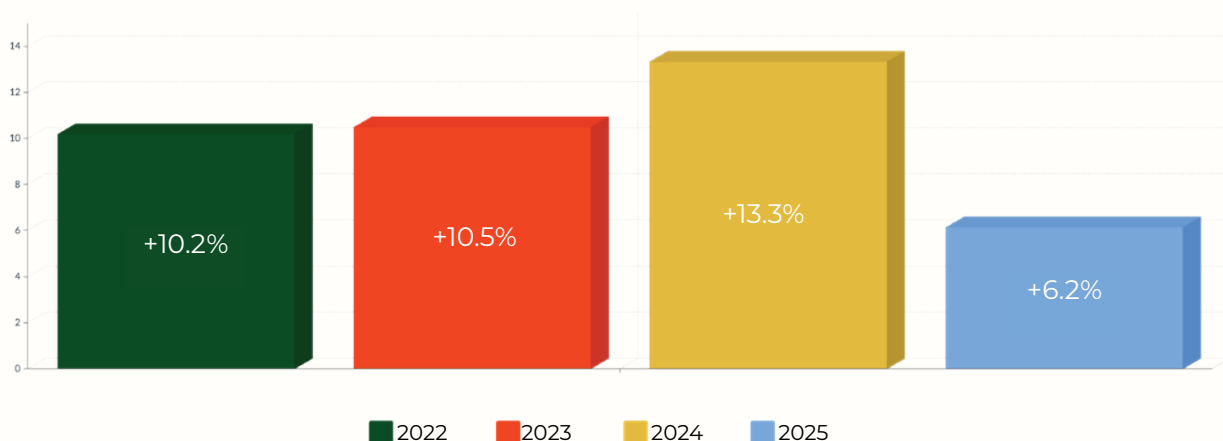
H1 BY CATEGORY



H1 BY LOCATION



H1 HISTORY



55%

project an increase in sales

28%

project a decrease in sales

17%

project no change

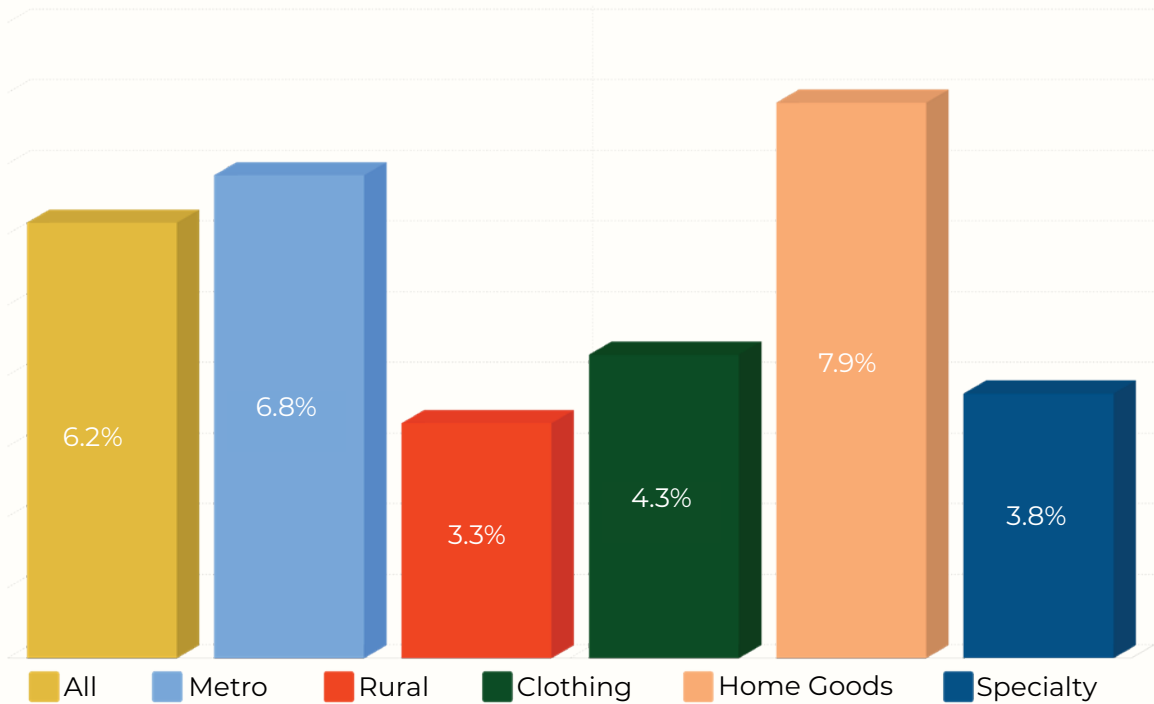
Independent retailers entered the second half of 2025 with far more cautious expectations than in recent years. On average, shops project just 6.2% growth for the entire year, a sharp drop from the 13% forecast they correctly projected at this point in 2024.

The shift in confidence is striking. Last year, nearly seven in ten shops (69%) expected sales to rise. This year, that number has fallen to just 55%, while more than four in ten either expect no change or anticipate declines. Optimism has not disappeared, but it is clearly waning.

Expectations also vary by location and category. Metro shops expect 6.8% growth, while rural retailers anticipate only 3.3%. By sector, home goods shops are the most confident at 7.9%, followed by clothing (4.3%) and specialty (3.8%).

While these projections still point to modest growth, they also underscore a growing sense of pessimism. Independent retailers are planning more cautiously than in years past, not because they doubt customer demand but because the gains they anticipate are unlikely to keep pace with rapidly rising expenses.

PROJECTED YEAR-END GROWTH



THE REALITY OF SLIM MARGINS FOR LOCAL SHOPS

For independent retailers, profitability has always been measured in much narrower margins than their national competitors. Many operate on single-digit net margins, where even small swings in expenses or sales can determine whether a year ends in the black or the red. With expenses climbing nearly three times faster than sales in 2025, those margins are being compressed to some of their thinnest levels.

Unlike large chains, small businesses cannot easily offset rising costs through bulk purchasing, aggressive price increases or spreading expenses across hundreds of locations. Instead, they absorb cost increases directly, cut into already limited margins or take on greater personal financial risk. The result is a fragile balance where any unexpected hit, from tariffs to shipping delays to utility spikes, can erase profits for the year.

Slim margins are not a new or temporary challenge; they are a structural feature of the retail economy. Since the aggressive expansion of national chains in the 1960s and 1970s, the economics of scale have defined the playing field. Large players drive down wholesale prices, centralize logistics and spread overhead across hundreds of outlets. Independent shops, by contrast, begin from a disadvantage: they pay closer to full price for

goods, carry higher per-unit operating costs and face customers who can compare their prices directly to those of chain competitors. The math is straightforward but unforgiving. Every transaction is eaten away by rent, payroll, utilities, insurance, credit card fees and marketing costs. For chains, scale softens the blow. For small shops, those same costs represent the difference between profit and loss.

These structural disadvantages are amplified during periods of inflation. In 2025, Oklahoma shopkeepers reported an average sales increase of 6.2%, yet expenses surged 18.16%. For a business accustomed to razor-thin margins to begin with, this mismatch is not a fluctuation but a fundamental imbalance. For large chains, rising costs can be absorbed into reserves, supplier negotiations or stock market valuations. For independents, they are immediate and absolute. A modest rise in utilities, credit card fees or rent can wipe out the profit on an entire season's worth of sales.

What makes this dynamic especially revealing is that local shops are outperforming by many conventional measures. The State of Retail report shows independents in Oklahoma reporting higher sales per square foot than many national chains, with year-over-year growth outpacing both Walmart and Target.

This is where national policy becomes relevant. For decades, large chains have had the leverage to secure dramatically better deals from suppliers, buying products at prices far below what independents pay. A big-box chain can demand steep discounts, special rebates or marketing allowances that are simply not offered to smaller retailers. The result is that independents are often paying more for the exact same item, before it ever reaches their shelves.

The Robinson-Patman Act (RPA) was designed in 1936 to address exactly this problem. It requires suppliers to offer proportionally equal pricing and terms to different buyers, preventing dominant players from using their size to extract unfair advantages. The law was widely enforced for decades, but starting in the 1980s, enforcement waned as antitrust policy shifted toward focusing almost exclusively on consumer prices rather than competition itself. This change gave suppliers and large retailers wide latitude to cut deals that lock independents out of the best terms.

For independents, the lack of enforcement has tangible effects. A chain might purchase 10,000 units of an item at half the per-unit cost that a small shop pays for 50 units. That difference runs deeper than checkout, it defines the economics of the store itself. The chain can keep retail prices lower, absorb cost increases more easily and reinvest margins into advertising, technology or expansion. Local shops, starting from a higher cost base, face narrower pricing power, tighter margins and fewer resources to grow.

Reinstating meaningful enforcement of RPA would place limits on how deep those discounts can go when they are used to systematically disadvantage smaller players. The law allows for differences in cost justified by genuine savings in manufacturing or delivery. What it disallows is preferential pricing so extreme that it creates an

uneven playing field where the largest retailers use supplier discounts as a weapon to drive independents out.

In today's context, where independent shops already face inflationary pressures and double-digit cost increases, the imbalance created by supplier favoritism is magnified. Policies like RPA could help restore balance by ensuring that independents are not forced to compete from the back foot on day one. Even small shifts in wholesale pricing can mean the difference between being able to hire, expand and invest, or being forced to cut back.

Put simply: slim margins are a structural fact of independent retail but extreme supplier favoritism makes them unnecessarily thinner. The Robinson-Patman Act was intended to recognize this dynamic and curb its worst abuses. Reviving enforcement would not eliminate every challenge but it could directly improve the competitive footing of independent shops in a marketplace that increasingly rewards scale above all else.



THEIR STORIES

WHEN I BEGAN MAKING OUR SIGNATURE SALTED WHISKEY CARAMELS IN LATE 2013 AS A HOLIDAY SWEET TREAT FOR FRIENDS AND FAMILY IN MEMORY OF MY DAD, I NEVER IMAGINED IT WOULD EVENTUALLY TURN INTO A CANDY COMPANY.

After a season of gifting caramels, it naturally turned into a candy side hustle. During that time, our family was living in northeast Oklahoma and our friends and family in the Oklahoma City metro area were asking if I'd mail them caramels.

At that point I was making caramels several nights a week after our kids went to bed. As a way to keep the orders organized, I set up a quick e-commerce website. Within 48 hours, I began receiving random orders from across the entire United States.

While I was not a stranger to being a business owner in other industries, I knew nothing about the food industry. By 2015, my husband encouraged me to not ignore the demand for my candy and to start thinking bigger.

In 2016, we moved into a commercial kitchen and obtained our state manufacturing license. Mollycoddled Hash Slinger has since evolved into what it is today with a retail store in northwest Oklahoma City.

Each day, I'm inspired by the memory of my dad who was a foodie at heart and always wanted to

MELISSA WEDMAN

**MOLLYCODDLED
HASH SLINGER**



be an entrepreneur but was never afforded the opportunity. When the days, months and years present challenges, I am re-inspired by my dad's memory and our future legacy.

Whether it's the instant gratification of pride when I experience the look on a customer's face when they first sample our caramel, to welcoming in a repeat customer, relationships are my favorite part.

Many of our retail customers have also been with us since the beginning and are our biggest cheerleaders, especially when times get tough. I'm truly not sure where our business would be without relationships. We don't take them for granted and they're certainly my favorite part.



We often hear that our state is the most business-friendly state in the United States. While that may be true for many industries, it's not always correct in terms of local retail business in general.

There is not a year that passes without some sort of challenge though. Over the last nine years in business, our constant theme has been “pivot or die.” This year has certainly been the year with the most challenges. Despite our best efforts, pivoting in areas that have worked in previous years and trying new tactics, I’m constantly feeling like it’s simply not enough. Overall, I’m finding that buying patterns are changing across the board between our B2B and retail clients.

While we’ve seen a consistent rise in number of transactions year over year, the amount per transaction has certainly declined for the first time in our nine years of business.

I wish I could speak confidently in my estimations of what local retail will look like as a whole next year, as I’ve been able to do in previous years. I certainly try to maintain a mentality of optimism in all areas of business, but am uncertain of some of the current challenges retracting, resulting in a year of growth as previous years have shown.

I fear, if we remain on the current playing field in retail and the economy, we’ll not only see a continued decline in customer spending but also a continued decline in local businesses as well. “Pivot or die” will continue to be our focus as we don’t have a “plan B” with our business and we won’t let the economic effects prevent our legacy from making it to the next generation.

Core ingredient costs, insurance, utilities and employment costs among other areas continue to rise without a sign of stability in today’s business environment.

I have been watching changes in consumer behavior very closely over the last five years. What I’m seeing now more than ever, is that consumers are becoming even more aware of how and where they’re shopping. Our customers are looking for the gift item that

provides the best “bang for their buck.” Quality over quantity, while on a much tighter budget than 2024 and even 2023.

From the inception of a small business to scaling for growth, the “messy middle” is often the most challenging in today’s business environment with the lack of overall resources and incentives for retention and growth.

Time and time again, I see resources either made available for out-of-state entities to move their business to Oklahoma with various incentives or resources and incentives made available for “small businesses” that are truthfully not small businesses by the general public’s opinion.

We often hear that our state is the most business-friendly state in the United States. While that may be true for many industries, it’s not always correct in terms of local retail business in general or local retail focused on tourism opportunities.

Tourism is one of our state’s largest revenue generators but often the areas within our state where tourism takes place removes most opportunities for our local gems to afford those spaces.

Oklahomans consistently stand out among other states for our love and passion of supporting local and it should carry through retail location opportunities, especially within high tourism areas, through incentives and resources over large chains. Independent retail stores provide service and products on a level that large chain retail stores simply cannot compete with. Local shops are truly the heartbeat of every Oklahoma community. We are a friendly face, contribute to local employment and bring revenue to the state in ways large chain retail stores cannot.

We are ultimately an extension of the Oklahoma Standard in many ways.



FINANCIAL PRESSURES.

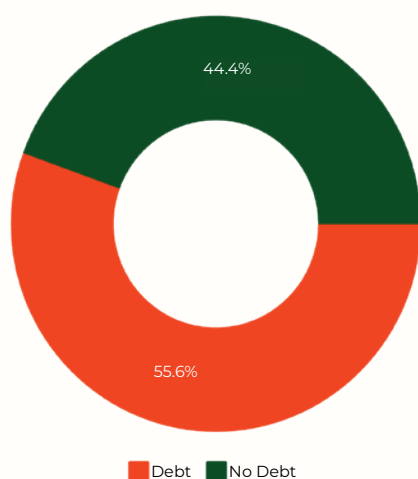
THEIR Debt.

More than half of independent retailers in Oklahoma now carry debt. In 2025, 55.6% of respondents reported having debt, while 44.4% remain debt-free. This marks a slight shift from last year, with debt becoming more common, particularly in metro areas where 59% of shops carry debt, up three percentage points from 2024. In contrast, only 36% of rural shops report being in debt, reflecting both differences in financing needs and access to capital.

Heavy reliance on credit cards, often the most expensive and least flexible form of debt, underscores the limited financing options available to small businesses compared to larger retailers with easier access to low-interest credit.

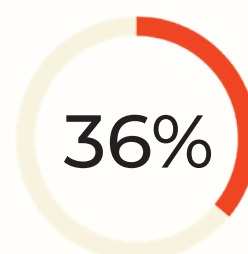
While some retailers continue to operate debt-free, for many, carrying debt is increasingly a necessary tool for survival rather than a strategy for growth. The rising prevalence of high-interest debt highlights the fragile financial position many independent shops find themselves in, especially at a time when expenses are rising faster than sales.

SHOPS WITH DEBT



METRO

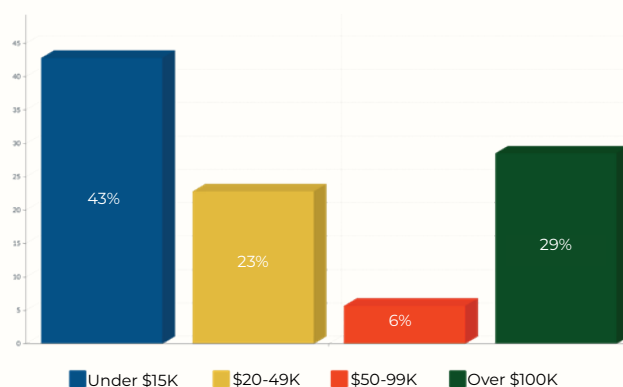
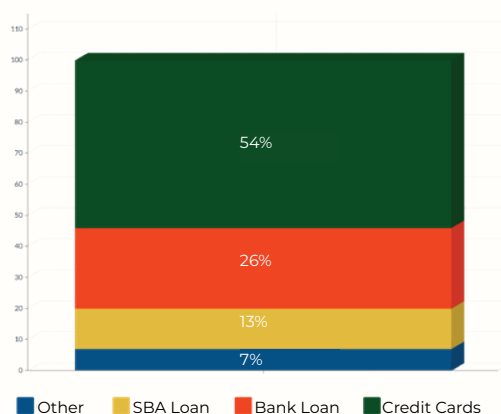
More than half of metro shops currently carry debt. A 3% increase from last year.



RURAL

On the other hand, only one out of three shops in rural Oklahoma report having debt.

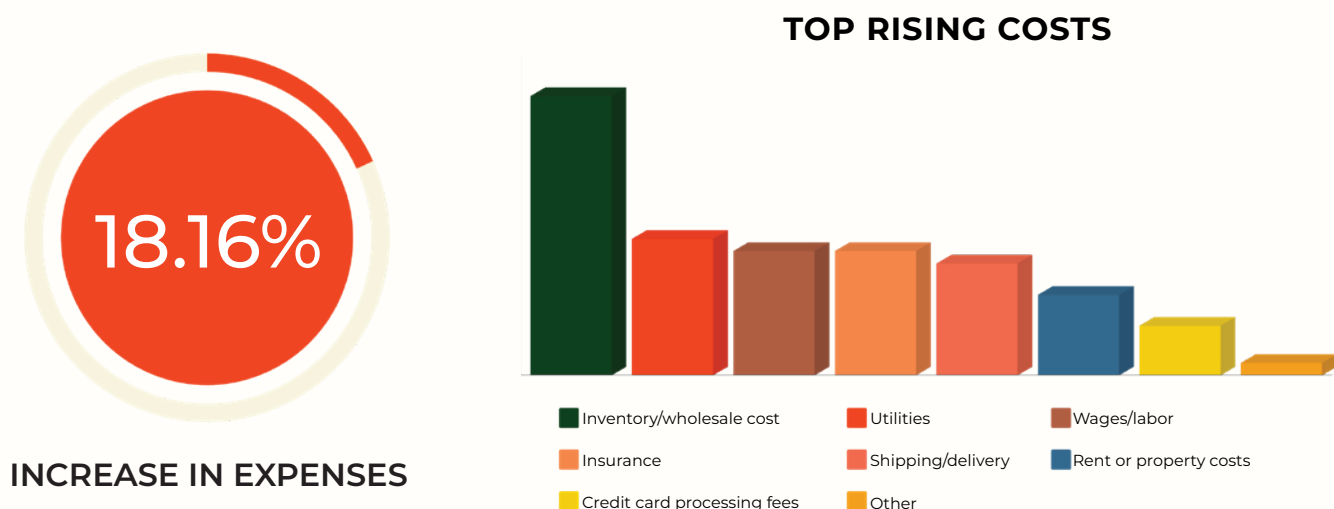
DEBT LOAD



THEIR Expenses.

Rising expenses remain one of the most significant challenges facing independent retailers in 2025. On average, shops reported an 18.16% increase in operating costs this year, a sharper climb than the 16.3% increase in 2024. The burden is widespread: metro shops averaged an 18.33% increase while rural shops saw costs rise 17.22%, leaving little room for relief regardless of location.

These increases span nearly every category, from inventory and wholesale goods to rent, utilities, insurance and wages, making it clear that the challenge is no longer just keeping pace with inflation but absorbing costs rising at nearly triple the pace of revenue growth.

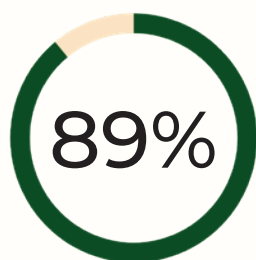


EXPENSES OUTPACE SALES

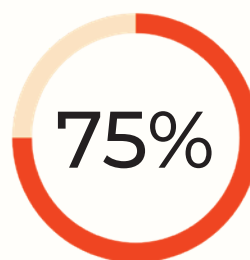
The most pressing concern in 2025 is not whether shops are growing, but whether that growth can keep up with costs. While respondents projected an average 6.2% increase in sales for the year, their expenses climbed by nearly 18.2%, almost three times faster. This widening gap makes it increasingly difficult for independent retailers to sustain healthy margins even when topline sales are rising.

The sharpest pressure comes from inventory and wholesale costs. 71.4% of respondents identified inventory as their largest expense increase, far outweighing other categories like rent, utilities and wages. This surge is closely tied to ongoing tariff impacts which drive up the cost of goods before they even reach shop shelves. For independent retailers who lack the purchasing power of big-box competitors, these added costs are absorbed directly, forcing many to make difficult trade-offs.

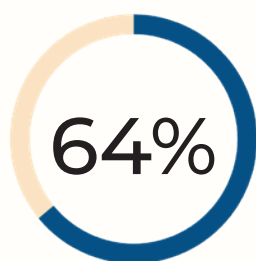
The imbalance between sales and expenses illustrates why so many shopkeepers are cautious about growth in 2025. Even modest revenue gains risk being erased by rising costs, leaving little capacity to expand, hire or reinvest in their businesses. Without targeted relief, particularly around tariffs and supply chain costs, independent retailers will remain at a structural disadvantage compared to larger competitors.



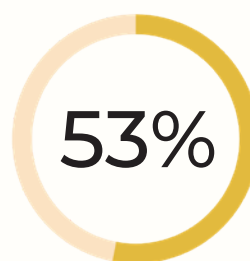
Have raised or
plan to raise prices



Feeling a
negative impact
from tariffs



Have seen their
profit margins
shrink in 2025



Are sourcing from
different suppliers
due to cost issues

DAY-TO-DAY IMPACT

The data highlights how rising expenses are shaping day-to-day decisions for shopkeepers in 2025. Three out of four retailers (75%) reported being negatively affected by tariffs, adding to the burden of inflation and higher freight costs. These pressures leave independents with few good options: most cannot absorb the increases, so nearly nine in ten (89%) have raised or plan to raise prices. Many describe this choice as reluctant, balancing the need to stay afloat against customer resistance to higher price tags.

The pressure shows up most clearly in profitability. Almost two-thirds of respondents (64%) said their margins declined over the past year, a reminder that topline growth does not automatically translate into financial stability. For independents, margins were already narrow.

Supply chains have also become a flashpoint. More than half of retailers (53%) said they had to shift to new suppliers because of rising costs or because existing vendors no longer serve the U.S. market. These adjustments often mean narrowing assortments, testing unproven suppliers or accepting longer lead times, all of which increase operational complexity for already lean businesses.

Taken together, the findings point to a single conclusion: the challenge in 2025 is not just customer demand but the cost structure itself. Independent shops can generate sales and attract buyers but inflation, tariffs and wholesale price disparities make it difficult to hold onto that growth once expenses are counted.

THEIR Outlook.

Despite mounting cost pressures and slower sales growth, most shopkeepers remain cautiously optimistic about the future. Nearly 74% of respondents said they feel confident (either very or somewhat) about the year ahead, while only 17.5% expressed concern. This optimism underscores the resilience of local retailers, even as they face increasingly challenging business conditions.

That resilience is tested daily however. When asked how manageable running their business has felt so far in 2025, shopkeepers rated it an average of 3.49 out of 5, a middling score that reflects the strain of balancing customer demand with rising expenses and thin margins.

Perceptions of difficulty compared to last year were divided: 36.5% said running a shop feels harder, while 39.7% said it feels about the same and just 7.9% said it feels easier. This suggests that while confidence in the long-term remains, the day-to-day challenges are becoming heavier for many.

Morale also varied depending on the age of the business. Shops open 3-5 years reported the highest morale (3.71/5), reflecting the energy of early growth stages. In contrast, those in the 6-9 year (3.25/5) and 10-20 year (3.14/5) ranges reported the lowest morale, pointing to the wear and tear of sustaining operations through years of economic headwinds. Interestingly, businesses with 20+ years of experience (3.50/5) scored higher again, suggesting that long-tenured shopkeepers are drawing on deep community ties and experience to maintain perspective.

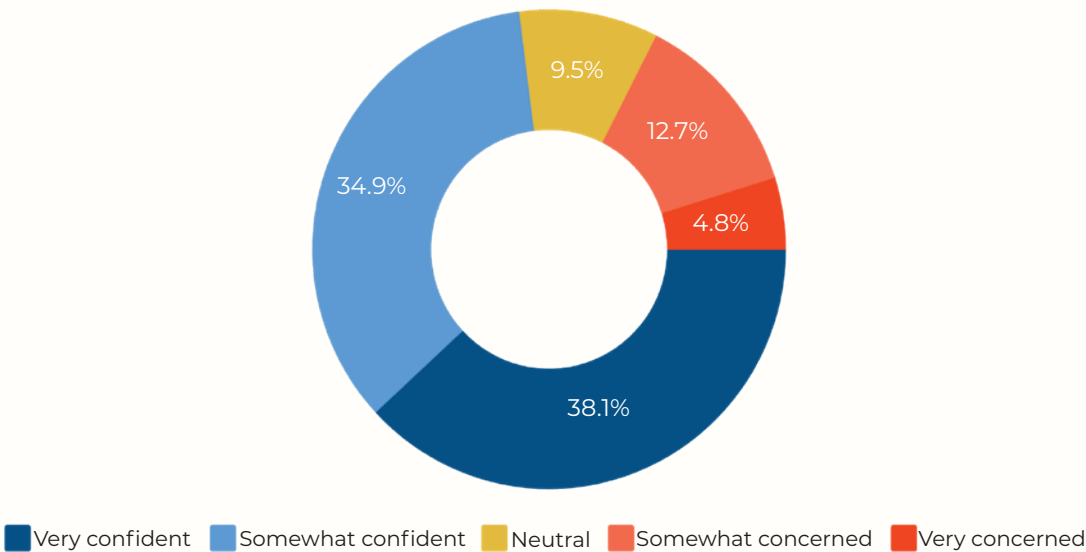
Together, these findings show a sector that remains hopeful but heavily burdened. Independent retailers believe in their future but the grind of operating under today's conditions is taking a measurable toll on morale and manageability.

"Between rising costs, slower traffic and tightening wallets, we feel the weight of a tough economy and the pressure of declining sales. But through it all, one thing remains strong: the support of our community. As we continue to weather local, state and global economic uncertainty, we're grateful for the people who continue to stand with the 'shop local' mentality."

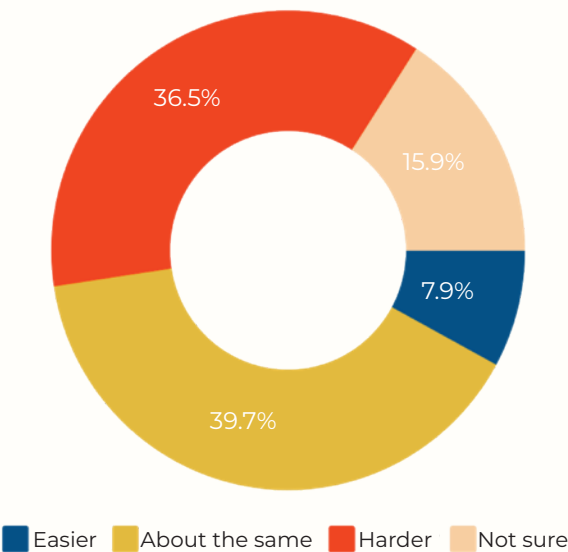
"Increasing inventory costs, uncertainty regarding tariffs and lower sales have me worried about the state of our economy. I have spoken with several other shop owners who share the same concerns, so I know I am not alone."

"2025 has been a year of both growth and challenge. I've seen a real deepening of community support and it's been rewarding to connect with customers who value what we do. At the same time, rising material costs and ongoing financial constraints have made it hard to grow the way I'd like."

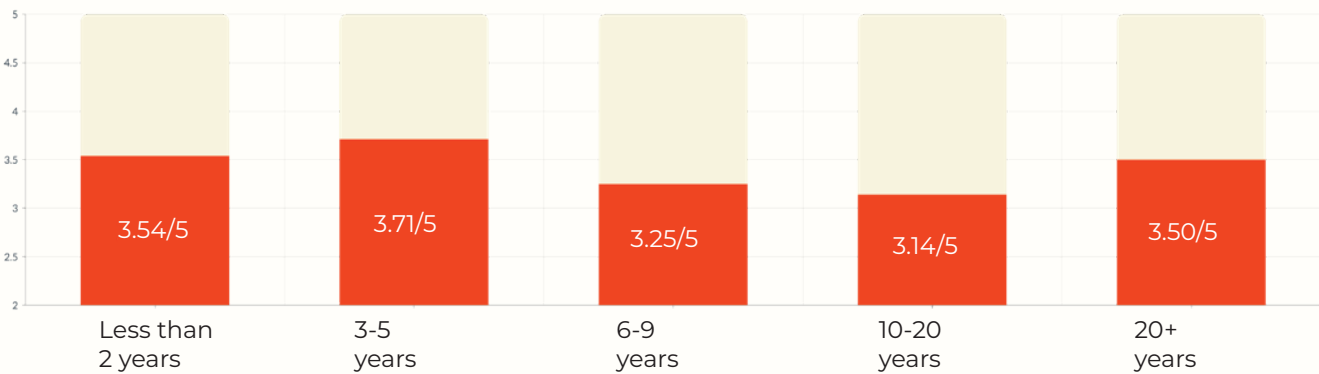
CONFIDENCE IN THEIR BUSINESS FOR THE YEAR AHEAD



COMPARING BUSINESS DIFFICULTY TO LAST YEAR



MORALE BY SHOP AGE



TARIFFS: A BIG IMPACT ON SMALL BUSINESSES

Independent retailers already run on razor-thin margins but tariffs have amplified that pressure into something far more destabilizing. In 2025, shops are reporting not just higher costs but broken supply lines, surprise bills and an atmosphere of uncertainty that makes it nearly impossible to plan ahead.

Every tariff imposed on imported goods raises the cost of inventory for small shops. Whether it is apparel, home goods, accessories or even packaging materials, the landed cost increases immediately. For businesses already struggling with expenses rising faster than sales, tariffs add another layer of cost that cannot be offset. Many shopkeepers simply cannot raise prices fast enough to match, leaving them to absorb the difference out of net margins that were already only 2-4%.

This year marks the first real evidence of how that pressure is reshaping the market. For years, independent shops held prices steady despite steadily rising costs. That changed in 2025. The statewide average ticket climbed to \$36.60, a 7.3% increase from last year. It is the first time in the history of this report that Oklahoma's shops have raised their average price point significantly. With 71.4% of retailers citing rising wholesale costs as their top expense increase, tariffs and supply chain pressures have left them little choice but to pass costs along to customers.

Suppliers that once shipped directly to small retailers are increasingly refusing to do so,

citing the complexity and expense of new rules. Shopkeepers are left without reliable sources of products, forced to cut lines entirely or scramble for more expensive substitutes. The effect is fewer choices on shelves and reduced variety in communities that depend on these stores to bring unique offerings.

Perhaps the most damaging impact of tariffs is their unpredictability. Retailers describe receiving duty bills weeks after merchandise has been sold. These unexpected charges land as direct losses, forcing shops to pay for goods long gone from their shelves. For small businesses that carefully manage every dollar of cash flow, a sudden bill in the thousands can erase a profitable season overnight.

Tariffs magnify the vulnerabilities of small businesses. They make products more expensive, supply chains less reliable and costs less predictable. For shops already facing double-digit increases in rent, utilities and payroll, tariffs are not a distant policy matter. They are a direct reason why margins collapse, why shelves sit empty and why once-thriving retailers struggle to keep up.

The impact of tariffs in 2025 isn't just about global trade. It is about mom-and-pop shops. Every added duty, every disrupted shipment and every unexpected bill falls hardest on the smallest businesses, those with the least room to maneuver and the most to lose.



THEIR STORIES

I OPENED A NOVEL IDEA BOOKSHOP BECAUSE IT HAS ALWAYS BEEN MY LIFELONG DREAM. AFTER MY HUSBAND WAS DIAGNOSED WITH THREE DIFFERENT CANCERS, IT TRULY SHINED A LIGHT ON HOW FRAGILE LIFE IS AND IT MOTIVATED ME TO PURSUE WHAT I TRULY LOVE.

Opening this shop is my way of honoring that dream and celebrating life. My inspiration comes from a desire to create a special space where I can share my passion for books and connect with others, knowing that life is precious and every moment counts.

My favorite part of owning a local shop has been the opportunity to connect with my community. I love meeting new people, sharing my passion for books and hearing their stories and recommendations. It's incredibly rewarding to create a welcoming space where others feel inspired and at home. Seeing the joy and curiosity in my customers' faces makes everything worthwhile and reminds me why I started this journey.

One of my biggest challenges in 2025 has been adapting to the ongoing economic and supply chain fluctuations. These issues have made it difficult to keep certain inventory stocked and to plan for the future with confidence.

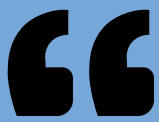
CHELSEA RICHARDSON

A NOVEL IDEA BOOKSHOP



We've also experienced some very slow months, which have tested our resilience and made me re-evaluate my strategies. Additionally, one of the other challenges has been the hate we have received because we are an inclusive, safe space that stands up for the marginalized. Despite these hurdles, I remain committed to creating a welcoming environment and providing a positive experience for my customers. It's been a learning journey but it has also made me more resilient.

I have noticed a slowdown in consumer spending and when people do spend money, the amounts tend to be lower.



Small shops are more than just stores, they're community anchors and with the right support, they can continue to thrive and serve as welcoming spaces for everyone.

Competition with online giants or brick-and-mortar chains has definitely been a challenge. Larger stores often have lower prices and a bigger selection, making it harder for us to compete on that front. We've seen some slow periods with fewer people walking through our doors, which can be tough for business. To stay engaged, we've been hosting more local events and partnering with community groups to draw people in. Despite these changes, I remain committed to providing a welcoming space and doing everything I can to inspire a love of reading in our community.

If I had the ear of a policymaker for five minutes, I would tell them that owning a small shop today is a heartwarming but challenging journey. Small businesses are vital to the fabric of our communities - they create local jobs, foster connections and reflect the unique character of our neighborhoods. However, we face ongoing hurdles like rising supply chain issues, increased competition from online giants and the economic pressures that make it harder to stay afloat.

Support in the form of accessible funding, policies that level the playing field and recognition of the importance of local businesses would make a huge difference. Small shops are more than just stores, they're community anchors and with the right support, they can continue to thrive and serve as welcoming spaces for everyone.

Local shops matter because they are the heart of our communities. They offer more than just products, they create spaces where people can connect, feel welcome and support one another. Small businesses help keep neighborhoods unique and vibrant, reflecting the character and personality of the area.

They also support local jobs, invest in community initiatives and often give back in ways that large chains or online stores simply can't. Most importantly, local shops foster a sense of belonging and trust, making our communities stronger, more connected, and truly special places to live.

One thing the general public often misunderstands about independent retail is that we aren't in it for the money or making huge profits. In reality, many small business owners are incredibly passionate about sharing what they love and creating meaningful connections with their community. We are genuinely grateful for every purchase, big or small, because it helps us continue doing what we love: providing a welcoming space, supporting local artists and authors and fostering a love of reading or shopping. Our goal is to serve our community and every bit of support means the world to us.

I believe the next year for A Novel Idea Bookshop will be a mix of challenges and opportunities. We'll continue to navigate supply chain delays and inventory issues, which can affect the variety of products we want to offer. We'll also need to find ways to stay relevant and vibrant in a changing retail landscape, perhaps through more community events and personalized experiences.

Despite these challenges, I'm confident that our dedication to creating a welcoming space and fostering a love of reading will keep us connected with our community. I remain hopeful that, together, we'll continue to grow and thrive despite whatever obstacles come our way.

III.

EXTERNAL FORCES.



Cargo Room

THEIR Concerns.

The challenges weighing most heavily on independent retailers have shifted in recent years but inflation and online competition remain firmly at the top of the list.

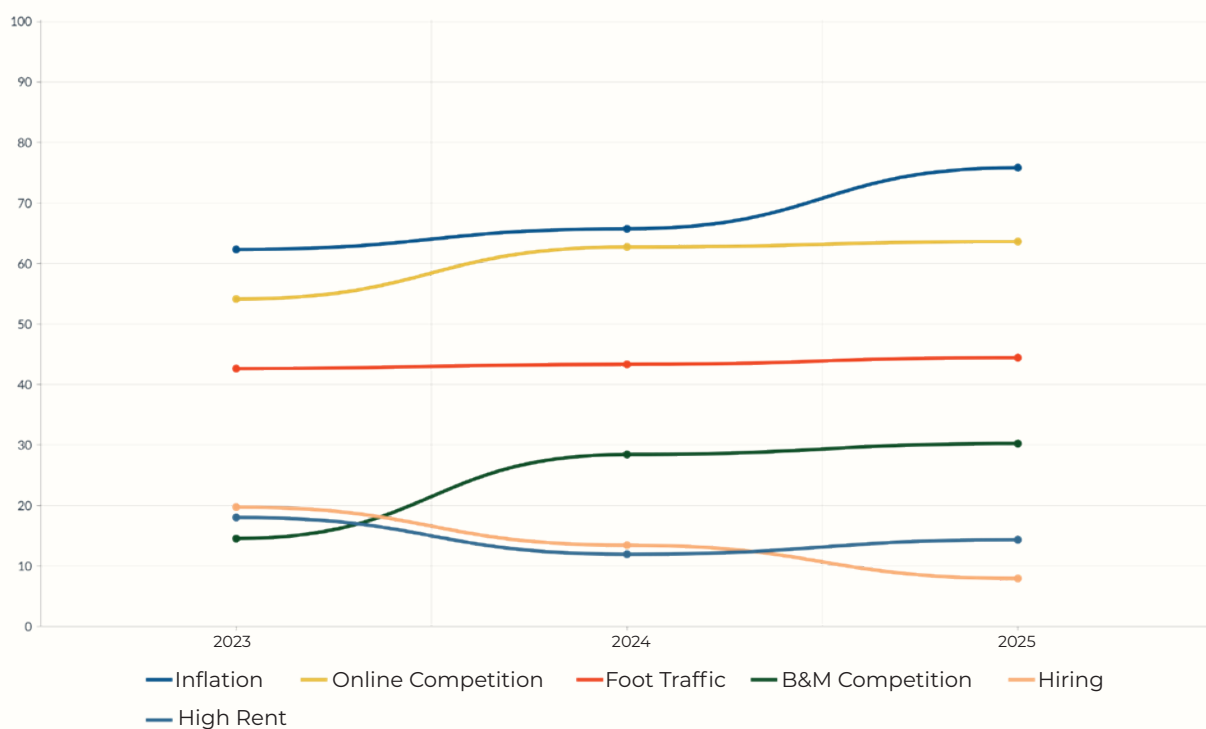
In 2025, concern about inflation reached its highest point yet, outpacing all other issues as shops continue to grapple with rising costs for inventory, rent and utilities. Online competition also remains steady as a top concern since 2023. More than any other factor, this reflects the pressure from fast fashion platforms and e-commerce giants that continue to dominate with aggressive pricing and convenience, areas where small shops often struggle to compete.

Other concerns have been more stable but remain significant. Foot traffic challenges have stabilized but remain high since 2023, signaling continued anxiety about whether local customers are shopping in-person often enough to sustain brick-and-mortar businesses. At the same time, competition from other physical retailers (big-box and chains) has risen steadily, now ranking above hiring and rent as a long-term worry.

By contrast, some issues have eased in urgency. Hiring difficulties, which spiked after the pandemic, have declined as fewer shops expand staff in the current climate. High rent has also stabilized, though it remains a persistent issue in urban cores.

Inflation may be the most urgent concern in 2025 but the enduring challenge is structural. Local shops must find ways to compete in a marketplace where larger players dominate on price and visibility.

TOP CONCERNS SINCE 2023

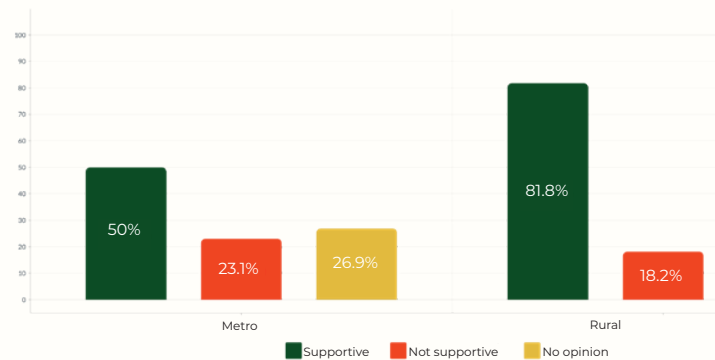


THEIR Local Government.

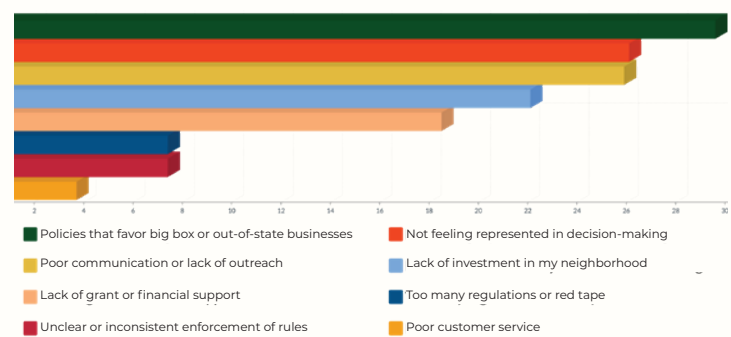
Independent shops consistently report stronger relationships with their local governments than with the state, but the picture remains uneven. Rural retailers are by far the most confident, with 81.8% saying their local government is supportive and only 18.2% feeling otherwise. Metro-area shops tell a different story: only half (50%) feel supported, while nearly a quarter (23.1%) say they do not and another 26.9% remain unsure. This gap highlights the different experiences of shops depending on where they are located and how closely connected they feel to decision-makers.

For many independent shops, support is not measured by major economic announcements or broad strategies but by whether investments reach their blocks and whether they are invited to the table when decisions are made. While the numbers reflect a recent drop in confidence, they also highlight an opportunity. Local governments that engage shopkeepers directly, invest in neighborhood-level improvements, and invite independent retailers into the conversation through collaboration can strengthen trust and build a stronger foundation for their local economies.

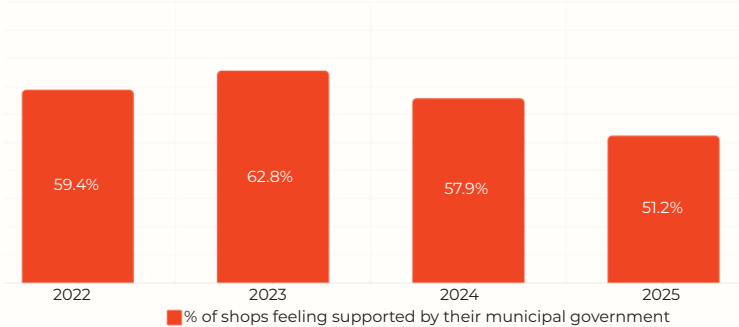
LEVEL OF SUPPORT



REASONS



OKLAHOMA CITY



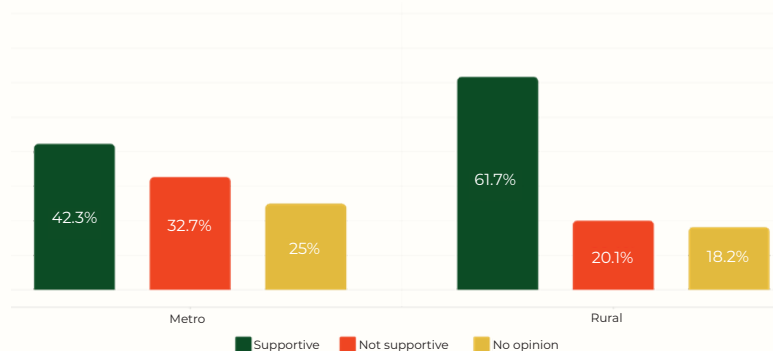
Oklahoma City shows the most notable decline. Back in 2022, nearly three in five shops felt supported by their municipal government. That number is now down to 51.2%. When asked why, many shopkeepers expressed frustration that policies are often perceived as geared toward larger or out-of-state businesses rather than neighborhood-level retailers. Others spoke about feeling left out of the decision-making process, with limited opportunities to share their perspective on issues that directly affect their community.

THEIR State Government.

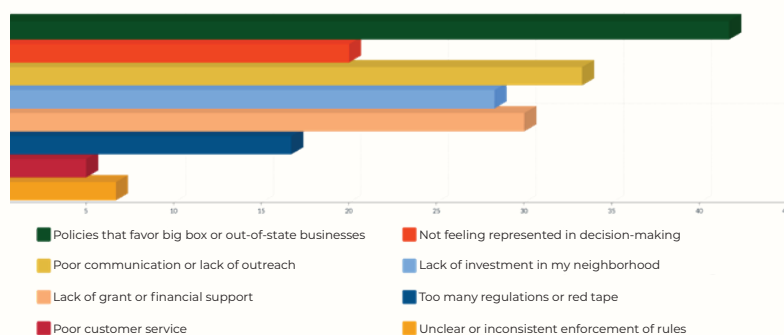
Confidence in the state government remains divided, with a clear rural/ metro gap. In rural areas, 61.7% of shopkeepers say the state is supportive compared to just 42.3% in metro areas. A third of metro retailers reported that they do not feel supported by their state government.

The reasons echo those raised at the local level but play out on a larger stage. Shopkeepers across the state pointed to a policy environment that favors big business. Tax incentives, grants and development packages are often seen as designed with large or out-of-state companies in mind, leaving independent retailers on the margins. This perception is compounded by the feeling that small retailers have little voice in state-level decision-making. Few believe their perspectives are represented when policies are debated, even though they are among the most visible contributors to Oklahoma's communities and local economies.

LEVEL OF SUPPORT



REASONS



Respondents shared a desire for state policy that recognizes the realities of small business margins, the challenges of competing with larger players and the role independent retail plays in anchoring neighborhoods and attracting tourism. They want to see policies that not only ease the cost pressures of doing business but also affirm the long-term value local shops bring to communities. Many emphasized that even modest changes in tax structure, incentives or access to resources could have an outsized impact on their ability to remain competitive and continue contributing to local economies.

ISA's annual Day at the Capitol, hosted each February, provides an important opportunity for policymakers to hear these perspectives directly from independent retailers. Creating more avenues for this kind of dialogue, and pairing it with policies that acknowledge the unique pressures facing small businesses, can help ensure that local shops remain both resilient and central to Oklahoma's economic future.

THEIR Tourism Impact.

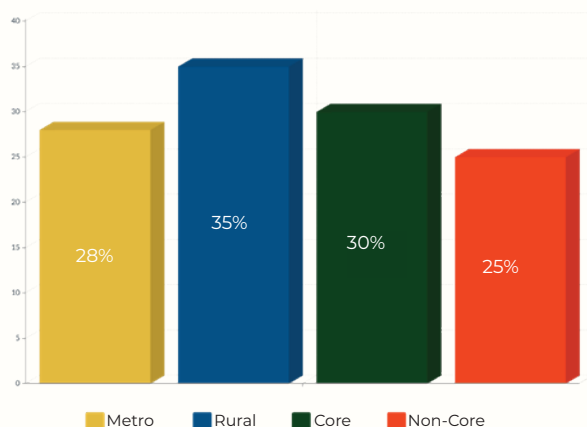
For many independent shops, tourism isn't just a bonus but a solid part of their customer base. On average, about 30% of shoppers come from outside the community. Rural retailers in particular feel this impact, with more than a third of their foot traffic generated by out-of-town visitors. Metro shops follow closely at 28%, while businesses outside core shopping districts trail at 25%. That gap tells an important story: the benefits of tourism aren't evenly shared and the shops that are less visible or connected to major attractions risk being left out.

But here's the bigger picture: local shops depend on tourism just as much as they help create it. Visitors want authentic experiences, not the same chain stores they can find at home. They come for the chance to browse small boutiques, discover handmade goods and bring home something that actually reflects the place they visited. In that way, independent shops are as much a part of the tourism draw as restaurants, museums or festivals.

Shopkeepers themselves know this and their recommendations show how to better connect retail with tourism. Their top priorities were increased marketing and promotion from tourism agencies, more events that bring people directly into shopping districts and better signage to help visitors navigate. But they also pointed to bigger-picture fixes: investing in public spaces, partnering with hotels and solving parking and transportation challenges. These are not "shop-only" concerns, they're about making entire districts easier and more inviting for visitors.

What comes through clearly is that shops are eager for collaboration. They see tourism as a shared opportunity that depends on coordination between businesses, districts and city and state partners. When the visitor experience is designed to highlight independent shops, through marketing, events and infrastructure, it boost economic impact, strengthens the identity of our communities and makes Oklahoma a place worth traveling for.

**FOOT TRAFFIC GENERATED
BY TOURISM**



**WAYS TO INCREASE
TOURISM**



ROUTE 66 CENTENNIAL: A TOURISM OPPORTUNITY FOR LOCAL SHOPS

In 2026, Route 66 will celebrate its 100th anniversary. Oklahoma holds more miles of the highway than any other state and national attention is already turning toward the centennial. Communities along the route are preparing for parades, festivals and infrastructure investments. Visitors will be looking for authentic experiences that connect them to the history and culture of the “Mother Road.”

Independent shops are a key part of that story. Tourists don’t come to Route 66 to see the same national chains they pass every day at home. They stop for the diners, vintage signs, quirky roadside attractions and local retailers that make each community unique. Shops give travelers a reason to linger, spend and explore. They are an integral part of the draw.

ISA has already released a Route 66 Retail Guide to help shopkeepers prepare. The guide includes strategies for themed events, Route 66-inspired merchandising, cross-promotions with neighboring businesses and opportunities to partner with tourism groups. It also highlights best practices in signage, storytelling and creating visitor-friendly experiences. Shops that plan ahead can turn the centennial from a one-time celebration into long-term customer growth.

This celebration is not only about what individual shops can do. It is also about how cities, districts and state leaders can elevate retail in centennial planning. Shopkeepers consistently point to the need for stronger marketing and promotion, better signage and wayfinding and investments in public spaces that make shopping districts welcoming to visitors. If the

centennial is approached with retail as a central pillar, the economic impact will reach far beyond expectations.

The Route 66 Centennial will only happen once. Oklahoma has the chance to show how local retail and tourism work hand-in-hand in creating communities that people want to visit and experiences they want to take home. For shopkeepers, the opportunity is already here. For tourism leaders and policymakers, the charge is clear: invest in local retail as part of the celebration and ensure independent shops are at the center of telling Oklahoma’s Route 66 story.

Find the full guide at isaok.org/rte66.



THEIR STORIES

WE'VE BOTH WORKED IN RETAIL SINCE WE WERE KIDS. IT WAS ALWAYS THE DREAM TO BUILD SOMETHING AND BE ABLE TO CALL THE SHOTS AND BE THE BOSSES WE ALWAYS WISHED WE'D HAD.

It's now a privilege that we get to do exactly that. We started out selling locally-found items online and shipping them all over. Which was amazing but it's not quite as gratifying as finding local vintage items and getting them into the hands of our local community through a storefront.

Dakota's favorite part of owning a shop is meeting people and learning their stories and the history behind the items he's purchasing. For Brittany, it's seeing the nostalgia and joy that people have finding items that remind them of their childhood and getting to decorate the store. We also really love chatting with our neighbors and meeting their cute dogs and kiddos. Our three-year-old, Lucy, sees every person who chats with her in the shop as a friend.

Our biggest challenge has probably been trying to better manage our priorities and time behind the

DAKOTA AND BRITTANY LEWALLEN DOG DAZE VINTAGE



scenes. We're also at a weird time with inflation and prices going up everywhere. It affects how our customers spend with us while we are striving to keep our prices the same. We're worried that there will be a down-tick in spending but hope more people choose to support local small businesses. We've definitely noticed people have been cinching their wallets more. We're always aiming to try to provide affordable options for everyone.

Being able to order vintage wholesale and not have to spend so much time finding it would help a lot. As fun as it is to find it, it's a lot of leg work and time which we usually have to spend apart from each other in order to handle all the various tasks that it takes to run this business.

DOG DAZE *Vintage*



Big companies like Urban Outfitters and Hollister are making reproductions of vintage items and also buying up vintage to resell at very high prices. Thankfully, we pass our savings from finding it ourselves onto our customers with affordable prices and are working to be more educational on why you should purchase already-made goods instead of fast fashion.

Our employees are amazing and we match the wages found at other retail stores to provide a livable wage. Still, I think it's hard to be everywhere at once and we could always use more hands, but that comes with more cost. It's also difficult when employees need time off for extended periods and you have to switch gears and be at the store more. There's so much that goes into finding and cleaning and mending vintage clothing that people don't see.

We're just two people who are trying to run a business and learn about taxes and all the forms and there needs to be a more rigid guideline, found in one place, on what is needed to start a retail business and stay compliant year after year

You have to comb through several government websites and 13 year-old YouTube videos to try to figure out how to stay compliant, fill out forms or pay for certain things. The .gov websites are hard to navigate and we waste a lot of time trying to figure out some rather simple things. Same goes for figuring out

what is needed to hire help. It's very confusing with multiple websites you have to find yourself.

Every small business owner wears 20 hats. We are the buyer, the inventory manager, the visual merchandiser, the social media team, the customer service representative, the bookkeeper, the accountant, the cleaning lady, hiring department and in our specific field: the clothes washer, mender or price researcher (every piece has a different cost and price).

I think a lot of times it hurts to hear people come into a space you put so much time and effort into making and loudly proclaim how the prices are bad or there's not enough variety. It doesn't happen often, but somehow it stings so much despite hearing way more good things from loyal customers. We are standing behind a counter not in a soundproof box, we hear it all.

We donate all proceeds from our sale bin to charities like the Pride Alliance and plan to ramp up donations this winter, especially to our friends at the Homeless Alliance. We're working on some more ideas and ways we can give back to our community.

Local business owners believe in supporting other local business owners. When you spend money with us, we consciously make choices that will then support other local businesses and it just ripples out from there.

We need small businesses now more than ever.

IV.

**WORK
FORCE.**

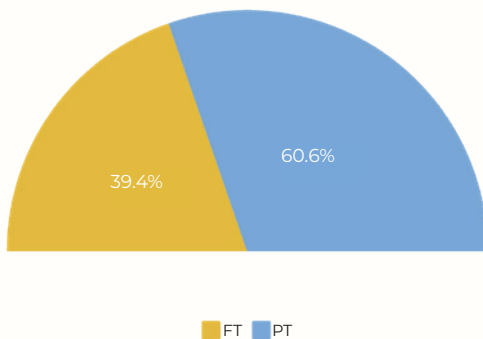
THEIR Employees.

Two in five retailers operate without staff, handling all daily tasks on their own. Among those that do employ staff, the average team size in 2025 is 5.76, slightly below the 5.85 reported in 2024. While essentially flat year-over-year, this plateau marks the end of the steady post-pandemic staff growth seen in earlier years.

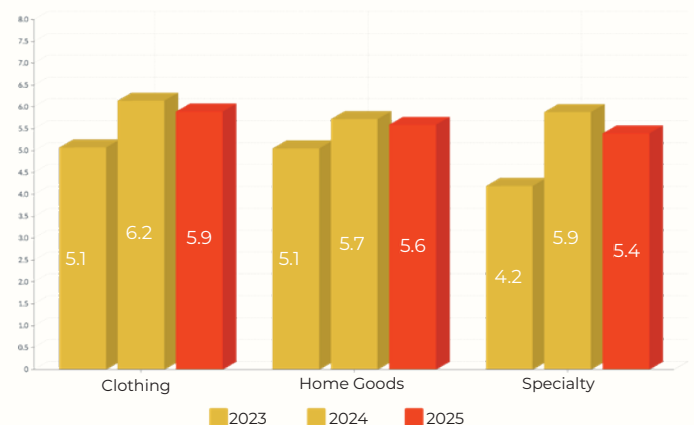
Part-time roles still dominate the retail workforce, making up 60.6% of positions compared to 39.4% full-time. By category, clothing shops employ the largest teams (5.9 on average), followed by home goods (5.6) and specialty shops (5.4).

The stabilization of staff size suggests while shops remain committed to providing jobs, they are holding off on expanding teams amid tighter margins. Even small shifts in average staffing matter: multiplied across hundreds of businesses, they reflect how independent retailers are balancing the demands of customer service with rising costs and cautious sales growth.

FULL TIME VS PART TIME



STAFF SIZE OVER THE YEARS



ABC Office Furniture (Photo by Justin Miers)

WAGES

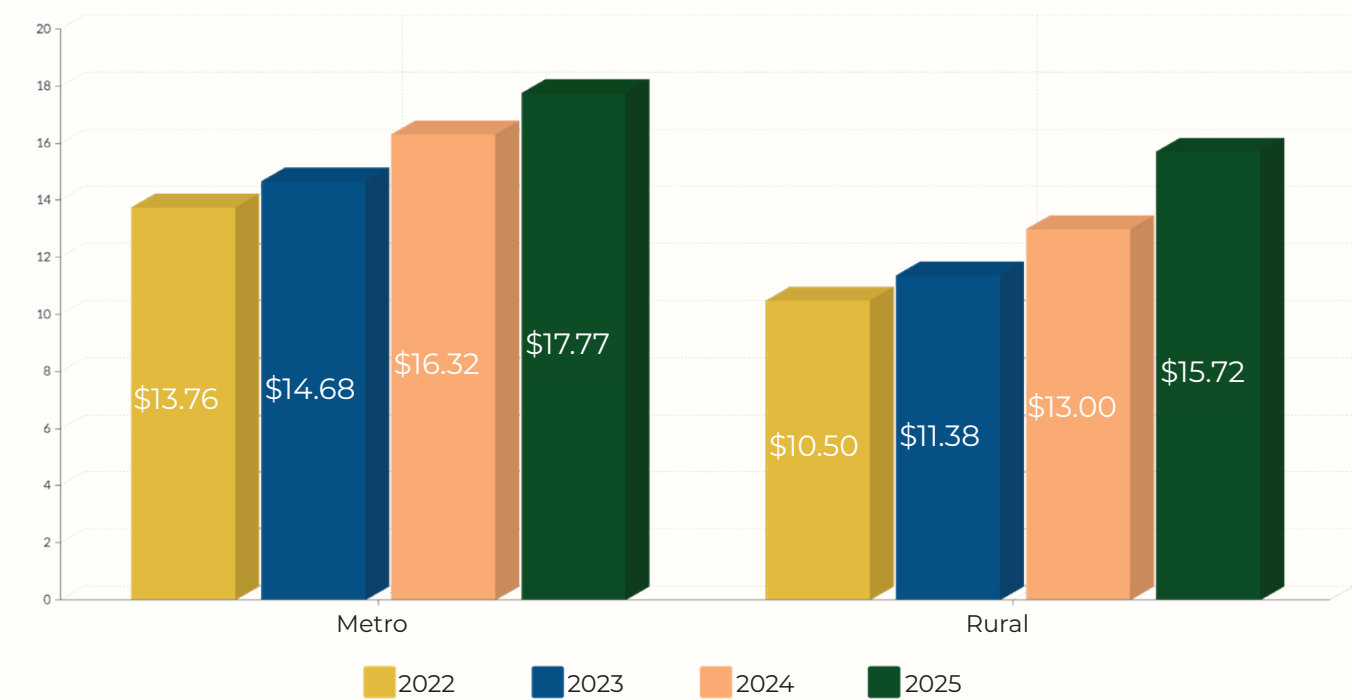
Wages for local retail employees have continued to climb in 2025, rising faster than sales growth. In the metro, the average hourly wage increased to \$17.77, up from \$16.32 in 2024. Rural wages saw an even sharper jump, reaching \$15.72 compared to \$13.00 last year.

These increases mark some of the fastest wage growth independent retailers have ever reported. Since 2022, metro wages have risen by 29%, while rural wages are up by nearly 50%. The rural figure is especially notable, reflecting how shops outside major markets are having to raise pay aggressively to compete for a limited labor pool.

While higher wages are a positive sign for workers, they add to the cost pressures independent shops already face. With average projected sales growth for 2025 sitting at just 6.2%, labor costs are rising far faster than revenues, squeezing margins and leaving many businesses with little room to reinvest or expand.

Independent retailers are paying well above the state’s average retail wage (\$13.26/hour)¹³ and even exceeding proposals tied to the minimum wage debate. This demonstrates both their commitment to supporting employees and the financial strain that comes with it.

LOCAL RETAIL WAGES SINCE 2022



STAFF GROWTH

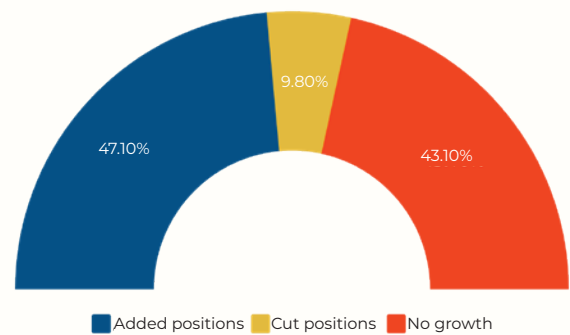
Staffing trends shifted notably in 2025 after last year's strong hiring. This year, just under half of respondents (47.1%) reported adding positions while 9.8% cut staff and 43.1% stayed stagnant. The share of shops reducing staff is the highest seen since the pandemic.

On average, shops added 0.67 positions in 2025, down from 1.3 in 2024. By category, specialty shops had a 0.64 average new positions while clothing shops added 0.77 and home goods just 0.35. Compared to last year, when specialty shops averaged 1.72 new positions and clothing shops 1.27, the slowdown is stark.

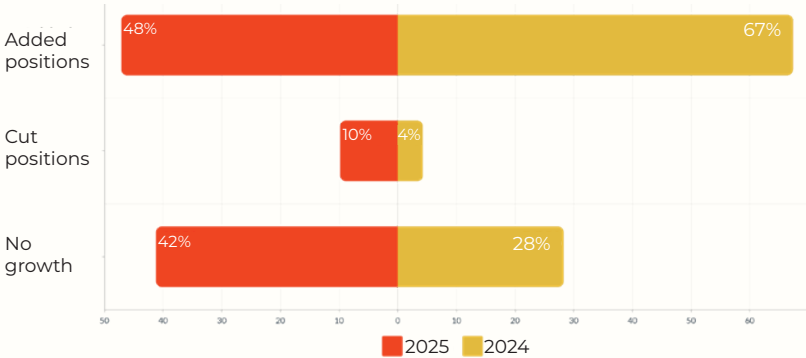
Over the longer term, staff expansion has clearly decelerated. The average number of positions added peaked in 2024 at 1.3, compared to 1.26 in 2022 and 1.14 in 2023. This year's decline to 0.67 signals that hiring momentum has not only cooled but reversed for many shops.

These results underscore how quickly conditions have shifted. After a period of rapid staff expansion, independent retailers are now scaling back, not because the need for workers has disappeared, but because maintaining payroll has become increasingly difficult in the face of rising costs and slower sales growth.

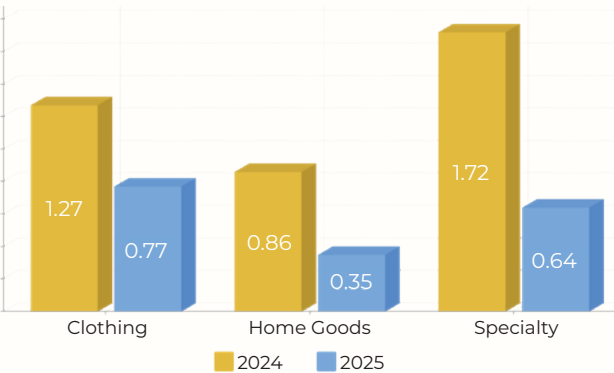
STAFF CHANGES



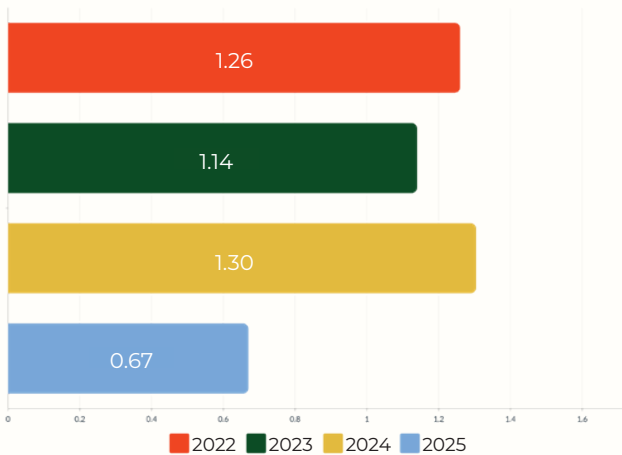
2025 VS 2024



NUMBER OF ADDED POSITIONS BY CATEGORY



AVERAGE ADDED POSITIONS PER YEAR SINCE 2022

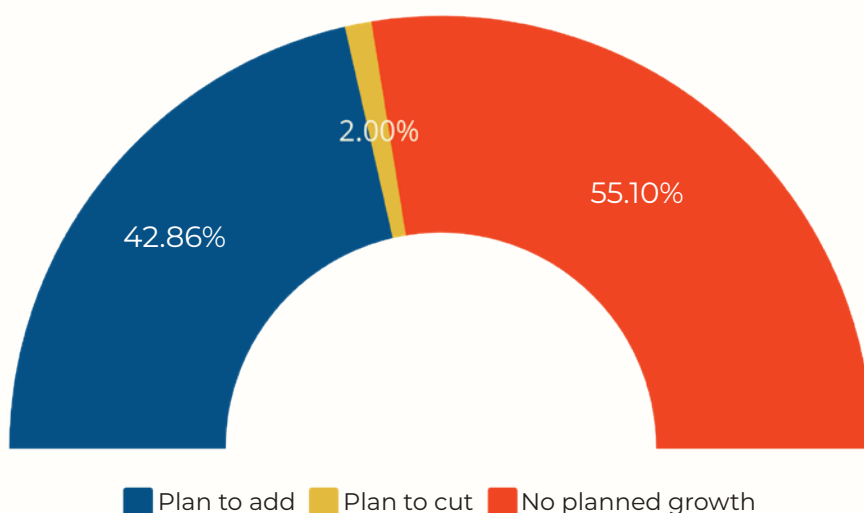


PROJECTED GROWTH IN 2025

Looking ahead, shopkeepers' expectations for staffing are more restrained than in previous years. Just 42.9% of respondents plan to add positions in the next year, down from 48% in last year's Census. A majority (55.1%) do not expect any staff growth and a small share (2%) anticipate cutting positions.

This marks a shift from the optimism of 2024 when nearly half of shops expected to expand and none anticipated cuts. The new outlook reflects a cooling labor market within independent retail: owners are wary of adding payroll at a time when sales growth has slowed and wages continue to rise.

The result is a sector where hiring is likely to stall in 2025. While some shops still plan to expand their teams, the majority are preparing to hold steady, a signal that independent retailers are bracing for leaner growth and tighter margins in the months ahead.



■ Plan to add ■ Plan to cut ■ No planned growth

Shop Good



Plenty

MERCANTILE
THE RESERVE

THEIR STORIES

THERE IS A PARTICULAR KIND OF COMMUNITY FOUND IN A BOOKSTORE, A PARTICULAR KIND OF FRIENDSHIP BETWEEN A BOOKSELLER AND THE READER.

We wanted to be a welcoming space for ideas and conversation and all the people who love books as much as we do.

My favorite thing about owning a local shop is the familial part of it. Do you know the scene in the movie *You've Got Mail*, where the door of the bookstore opens and the owner says "Jessica and Maya! How are you?!" That happens here.

At the store we know regulars and call them by name. We know what books newly unpacked and shelved are the ones those regulars will be excited to see. We swap stories of family traditions and give restaurant recommendations to guests from out of town. Children know that I will always have a sticker for them and parents know that I'm very serious about middle grade fiction and will always have a book to recommend for their kiddo. Sometimes in the middle of a shift, we grieve with those who grieve.

The biggest challenge of 2025 specifically, has been the onboarding of a new POS system for us. I made the decision to completely overhaul the way we had been doing things including a brand new website and webstore to have a system created especially

SARAH CARR
COMMONPLACE
BOOKS



for bookstores but it has not been easy. I know that the payoff has potential to be great but right now it's little more than frustration and I just hope we can fully understand everything about the way the new system works before holiday sales ramp up.

Nothing seems to ever get easier but I do know from many conversations or comments in the store that people are tired of the chokehold they see one or two individuals often seen in the media have on retail. As much as they want to change their shopping habits to support local neighbors and economy, when the prices at the grocery store continue to place strain on families, even the greatest of intentions have to be put on hold. Will those who want to support local be shopping at all next year?



Small shops are what tourists and neighbors alike look for to showcase the heart of a city. They are vital for understanding who a city is and what it stands for.

The opportunities abound to educate people on things like so called “loss leaders” that big companies can offer while small retail can never compete with and people are more willing than ever to listen. I take every opportunity to educate and to answer candidly when thoughtful guests ask questions about what it’s like to run a small business. We’ve really added to the amount of events we hold. We may not be able to put everything on sale but we can lead with hospitality that makes a lasting impression and the trickle effect of word of mouth cannot be under-estimated.

Competition with Amazon has always been the number one challenge for booksellers. The convenience and the absolute lack of need for that corporation to make money on books is always there, but of late places like Target and Walmart have really jumped at the chance to make money on books too. No matter how many followers on social media our store has, I’m never going to reach as many people as the talk-show hosts with their book clubs.

Inflation and tariffs have meant the raise in the cost of a book from \$16 to \$19 this year. Someone in the store last week said to her friend “the candles are just so expensive,” and I thought “Oh sister, you have no idea how much more they’re about to be.” Tariffs have caused the candle makers who created our signature candle scents to make significant changes to their own business model in order to keep costs to their customers down but I wonder how long that can last.

Small shops are what tourists and neighbors alike look for to showcase the heart of a city. They are vital for understanding who a city is and what it stands for, and the kindness of a shopkeeper can be the one impression that lasts. I hope I get to run this shop for the rest of my days and I see the impact that it has

on the community. The reality is that it’s very hard to make more money than we have to spend, but the reality is also that our shop is community for the elderly widowed gentleman or respite for the momma with the toddler and the newborn. Every person in between who enters the door is greeted with the kind of hospitality that is life-giving in a season of dark division for our culture.

Independent retail is very hard work. My smile is genuine but behind it is a mind constantly thinking about what I can and cannot do to get people into my store, how to figure out the new POS system before Christmas, ordering inventory that will keep the store looking full and up to date and the balance of cash flow.

I will never take for granted a shop in a town I like to visit, because the next time I’m in that town there’s a good chance that shop won’t be there anymore. Keeping the doors open means doing most of the work yourself, always being on call when you are not at the store and writing this at 11:45 p.m.

Local shops describe a city and its values, Shopkeepers and shop owners set the tone for a city and provide kindness and hospitality to the neighbors and guests of that city.

I am so grateful for the work that ISA does - the big work like this census and the Holiday Pop-Up Shops that showcase our stores, but also the seemingly small things, like encouraging words and moments to meet with other shop owners that have meant so much to me as a shop owner. Camaraderie is so important when the task seems daunting and beautiful even when it doesn’t.



V.

STORE FRONTS.

THEIR Rent and Leases.

Average Monthly Rent:

Metro: \$2,483

Rural: \$1,350

\$20.96

AVERAGE RENT PER SQ. FT. IN CITIES LARGER THAN 300,000.

\$11.94

AVERAGE RENT PER SQ. FT. IN CITIES SMALLER THAN 300,000.

LEASE TERMS

In 2025, the average lease term for independent retailers is 3.22 years, nearly unchanged from last year's 3-year average.

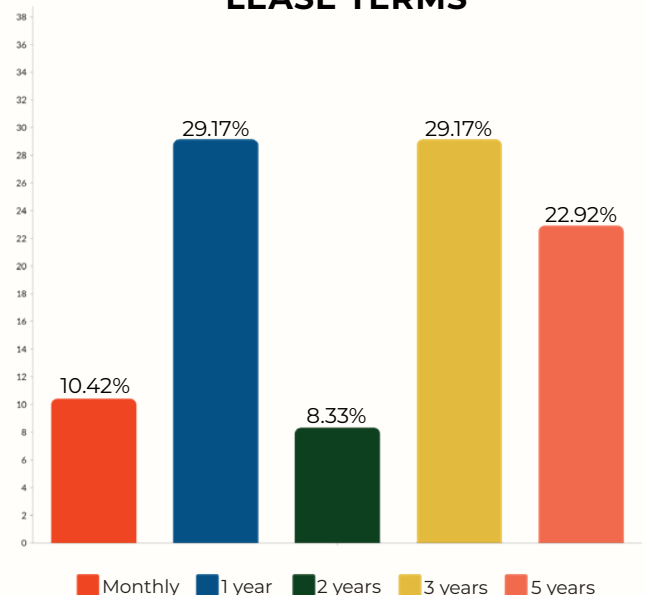
Short-term agreements remain a key feature of the independent retail landscape. Nearly 30% of shops are on one-year leases and 10% operate month-to-month, allowing newer businesses to test locations and manage early uncertainty. Three-year leases (29%) and five-year leases (23%) round out the mix, showing that longer-term commitments are more common once shops are established.

Lease terms align closely with the age of the business. Shops open for less than two years average just 1.55 years on their leases, reflecting the need for flexibility when first entering the market. By contrast, shops in operation for 3-5 years average 3.18 years leases with those open 6-9 years average 4.06 years. The longest commitments are seen among shops with 10+ years of experience, averaging 4.29 years.

This pattern highlights how flexible leasing plays a critical role in helping new retailers get started. Shorter terms lower the barrier to entry, enabling shopkeepers to establish themselves, build customer bases and gain confidence before moving into longer-term agreements.

3.22 AVERAGE
YEARS LEASE
TERM

LEASE TERMS



THEIR Size.

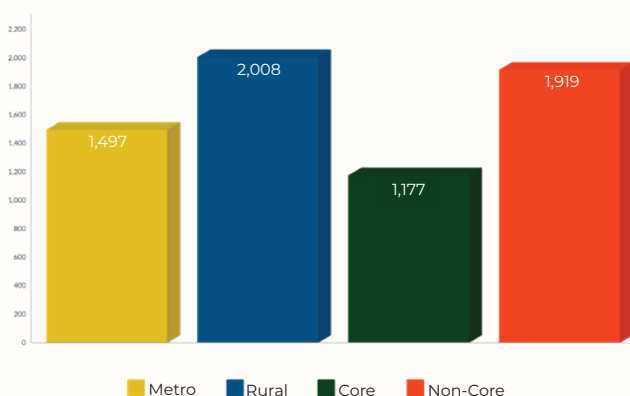
AVERAGE SIZE
1,592 SQ. FT.

SMALLER SPACES, BIGGER IMPACT

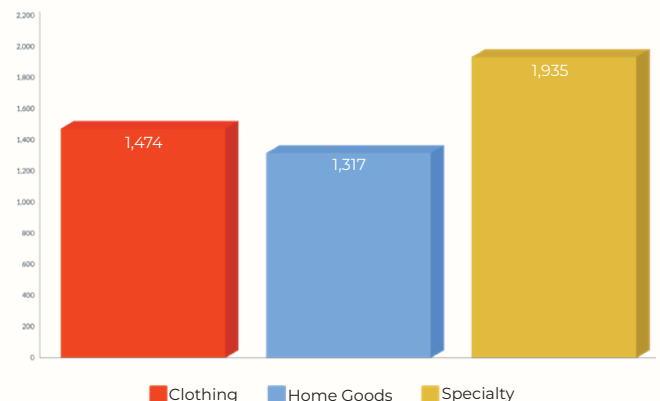
The shrinking individual footprint of independent retailers has continued into 2025, with new shops opening in smaller spaces than ever before. The average store size across all respondents is now 1,592 square feet, compared to over 2,100 square feet for shops opened prior to 2011. This steady decline illustrates how each new wave of retailers is adapting to rising costs by operating in leaner, more efficient spaces.

By category, specialty stores occupy the largest spaces (1,935 sq. ft.), while clothing shops average 1,474 sq. ft. and home goods stores just 1,317 sq. ft. Location also plays a decisive role: non-core metro shops average nearly 2,000 sq. ft., while those in the core are much smaller at 1,177 sq. ft. Rural shops continue to trend larger, averaging 2,008 sq. ft., but even there, newer openings are trending smaller year after year.

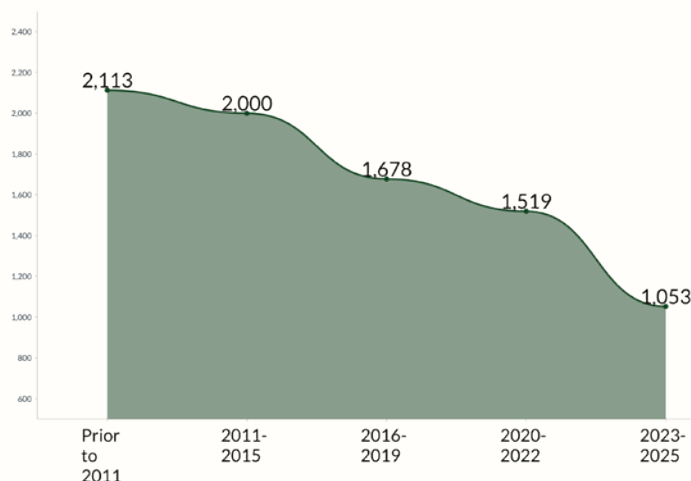
AVERAGE SIZE BY LOCATION



AVERAGE SIZE BY CATEGORY



AVERAGE SIZE BY YEAR OPEN



The generational shift is especially stark. Retailers who opened before 2011 still average more than 2,100 sq. ft. but for shops launched since 2020, the typical footprint has dropped to just 1,053 sq. ft., cutting average space in half over little more than a decade.

This continued trend highlights the creativity and efficiency of small business owners. Independent retailers continue to outperform national chains in sales per square foot, leveraging smaller footprints with smarter layouts, tighter inventory strategies and highly personalized service. The data shows that even as spaces shrink, independent shops are maximizing every square foot in ways that big-box competitors cannot replicate.

THEIR Foot Traffic.

After several years of steady increases, weekly foot traffic at independent shops has stabilized in 2025. Shops reported an average of 250 visitors per week, compared to 253 in 2024 - a change of about 1%. This marks the first time since 2021 that foot traffic has not posted year-over-year growth, suggesting the post-pandemic rebound in in-person shopping may have reached its peak.

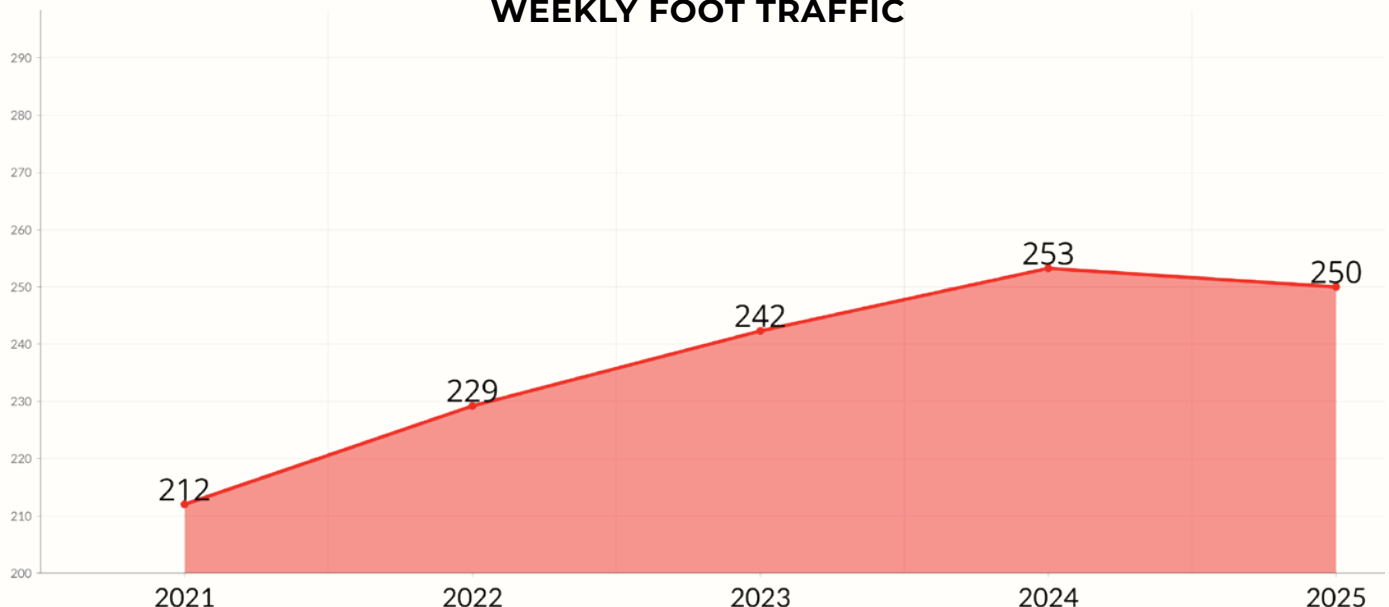
RETAIL'S NEW GROWTH EQUATION

Foot traffic patterns still vary widely by location. Shops in downtown cores typically see twice as many visitors as those outside the core, though non-core retailers often achieve higher conversion rates, ensuring smaller crowds still translate into meaningful sales.

This stabilization highlights an important shift: growth in visitors may no longer drive retail performance, placing greater importance on maximizing sales per visit and cultivating loyalty among repeat customers, areas where independent retailers excel.



WEEKLY FOOT TRAFFIC



THEIR STORIES

I WAS INSPIRED BY MY MOM TO START MY CANDLE BUSINESS. MY MOM HAS HAD HER OWN BUSINESS FOR THE MAJORITY OF MY LIFE AND I GOT A FRONT ROW SEAT TO WHAT IT'S LIKE TO BE A BUSINESS OWNER.

She still inspires and encourages me to this day. I even named my candle business after her by including her middle name in my business name. I decided to open up YKL Concrete & Candles for multiple reasons. I have always loved boxing and wrapping gifts. I love creating unique presents to give to my family. Candles were a big part of that.

I love candles and have always wanted to make them. I knew I wanted to be an entrepreneur in my lifetime and I knew that whatever I chose to do, it would have to be something that I love over and over again. Something that brings joy to others and something that creates excitement but can also calm you when needed. I wanted to create pieces others could enjoy in their homes time and time again. YKL became just that.

M'KAYLA LOTT
**YKL CONCRETE
AND CANDLES**



The community is definitely one of my favorite parts of owning a local shop. I love the people I have met during the journey. The people of Oklahoma City and surrounding areas have shown me so much love and support. I've learned so much from my customers and people that visit my pop-up booths. From customers and other local shop owners down to legislators, the community has made me proud to be an Oklahoman and a local shop owner.

Direct sales to customers have been challenging this year though. I notice a difference in the way customers shop and what they value. They are more cautious with the way they spend their money and it has caused sales to slow down.



Direct sales to customers have been challenging this year though. I notice a difference in the way customers shop and what they value.

Finding the sweet spot between high quality handmade products and good pricing has been challenging.

Unless things change economically, I don't expect much change in the way people shop from this year to next year. I do think more people will begin to support local as opposed to big box stores and online. I have noticed the support of shopping local growing over the years and I expect that to continue.

I've noticed the change in consumer behavior when it comes to shopping local. I'm learning to adapt everyday and learning to give consumers what they want at the price they want without jeopardizing the quality of my handmade candles and decor. I've also learned to stick to what works and to not chase what's trending or copy what other makers in my realm are doing. It's good to get inspiration from them and maybe take certain concepts from them but I have to stick to what works for the people that consume my products.

For example, I made a change in the design of my concrete candle jars to make it simpler yet beautiful and less time consuming to make. However, the response from consumers was loud. They loved the way I designed the jars previously, they weren't looking for a change in that way and as a result my sales dropped. So I went back to my unique marble and gold design for my candle jars and have noticed sales picking back up like they were before.

Competition with brick-and-mortar chains and foot traffic are two challenges that have affected my

business specifically. I make one-of-a-kind candles that you can't get at a chain store and it comes with a price to fit the quality and time I put in to make it. Consumers tend to go the cheaper route when purchasing home decor and items like candles. They know they can get something decent at a lesser price. Getting foot traffic has also affected my business. People like to shop online with big stores like Amazon that they are familiar with and that offer same-day shipping.

I would tell policymakers that it is very challenging to own a small shop today. We are hit with taxes and so many fees from credit card fees to fees from every platform you use to sell. All of this can be challenging for new businesses trying to grow. I would appreciate a policy that would set a limit to the amount of taxes and fees that can be charged to us.

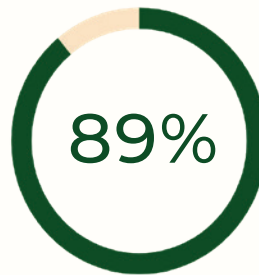
The general public often misunderstands the circulation of money with independent retail. They don't consider the costs of business when they are comparing the price of products from independent retailers and big box retail. Independent retailers are often using their own cash to start up and it typically takes more time for them to see their return on investment.

Local shops matter because local shops keep money circulating in the community and create jobs. They also build diversity and character by giving a town its personality and unique features. Customers get a better experience, more personal service and are able to purchase the most unique one of a kind products.



VI. consumer behavior.

THEIR Price Point.



OF SHOPS HAVE
RAISED OR PLAN TO
RAISE PRICES

PRICE SHIFT

For the first time in several years, independent retailers in Oklahoma have raised their average price point in response to mounting financial pressures. The statewide average ticket climbed to \$36.60 in 2025, a 7.3% increase from last year. This marks the first real upward adjustment after years of holding prices steady despite continued cost increases.

The shift reflects a difficult balancing act. Shops are facing higher expenses across the board, particularly in inventory, where 71.4% of respondents identified rising wholesale costs as their biggest expense increase. Tariffs and supply chain pressures continue to drive those costs upward, leaving shopkeepers with little room to absorb them.

Unlike big-box chains that can negotiate bulk discounts, small retailers operate with slim margins and limited leverage. For many, modestly raising prices has become the only viable path to maintaining financial stability while continuing to serve their communities. Yet, raising prices comes with its own risk: remaining competitive in a marketplace where national chains and online giants can undercut on price.

PRICE POINT 2024 VS 2025

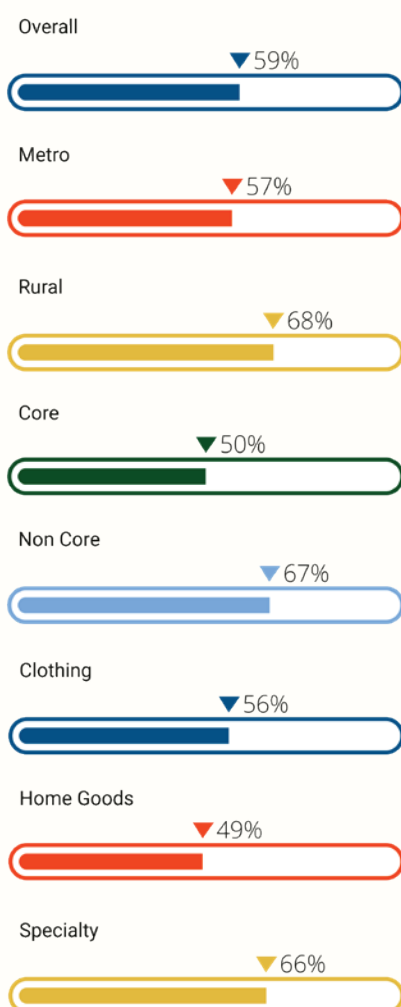


AVERAGE PRICE POINT HISTORY



THEIR Conversion.

Conversion rates remain one of the strongest performance indicators for independent retailers, though this year's data shows some softening. In 2025, the average conversion rate stands at 59%, meaning that nearly three out of five customers walking into a shop make a purchase. While slightly below last year's 63%, this figure still far exceeds national retail benchmarks, where conversion typically ranges between 20-40%¹⁴.



EFFICIENCY OVER VOLUME

The breakdown highlights important nuances across locations and categories. Rural shops (68%) and those outside metro cores (67%) continue to post the strongest conversion rates as customers often make intentional trips to these stores. In contrast, core metro shops convert at 50%, reflecting higher browsing traffic but still strong performance compared to national averages.

By category, home goods stores reported the lowest rate at 49%, while specialty stores remain high at 66%, showing strong alignment between customer intent and product offering. Clothing stores, at 56%, sit slightly below the overall average but continue to outperform large-format competitors.

Although the overall trend shows a modest dip, these numbers reinforce that when shoppers step into a local store, they are highly likely to buy. Independent retailers continue to turn foot traffic into sales at levels big-box stores struggle to match. This points to a critical strength for local shops, efficiency. Independent retailers may not capture the same volume of traffic as chains but the customers they attract are deeply intentional, translating into stronger conversion rates and higher sales per square foot. Maintaining this advantage will depend on how well shops continue to differentiate themselves through experience, curation and community ties.

CUSTOMER Spending.

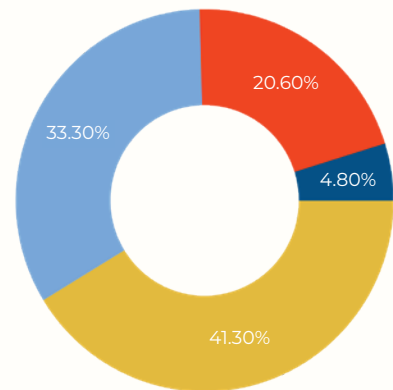
Customer spending patterns in 2025 show both resilience and signs of caution. While the average transaction remains \$54.63, survey responses highlight important shifts in how customers are spending inside local shops.

41.3% of retailers report that customers are spending more per visit, a positive indicator that many shoppers continue to see value in independent retail. At the same time, 33.3% say spending has stayed the same, and 20.6% note customers spending less, pointing to a more cautious consumer mindset.

The shift also varies by category. Clothing and specialty stores are more likely to report higher per-visit spending, while home goods stores see more mixed results, with many noting flat or reduced baskets.

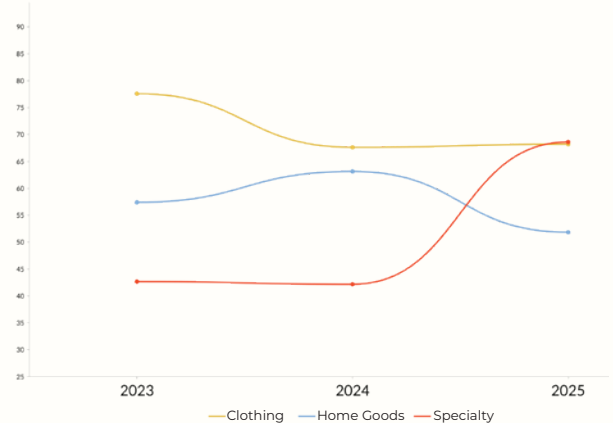
On average, shoppers purchased 2.79 items per transaction, consistent with previous years, suggesting that the change lies less in volume and more in price sensitivity.

Together, the data illustrates a marketplace in transition: customers are still showing up and, in many cases, spending more, but there's a clear undercurrent of restraint that reflects the economic pressures shops have been reporting throughout this year's Census.

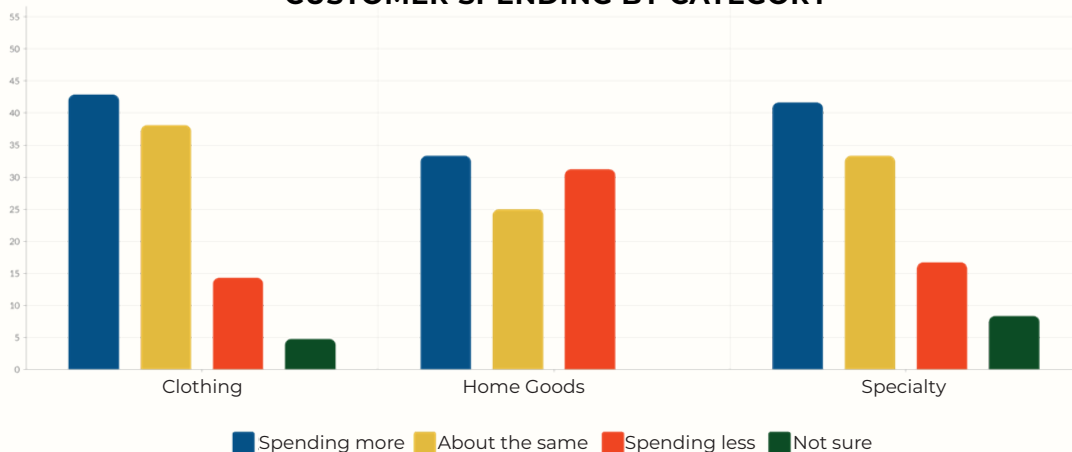


Spending more About the same Spending less Not sure

AVG TRANSACTION HISTORY



CUSTOMER SPENDING BY CATEGORY



2025 HOLIDAY CONSUMER TRENDS

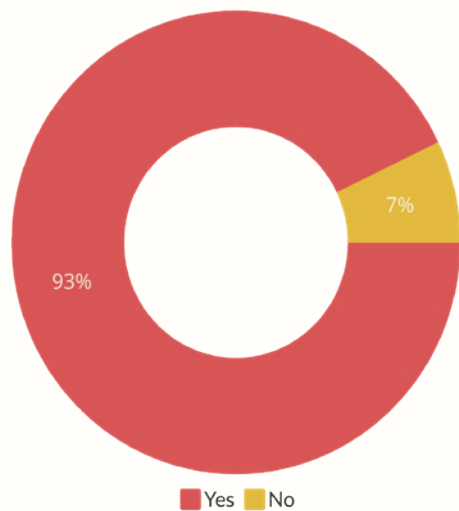
We reached out to customers to find out how they plan to shop this holiday season. These answers are from a sample of 263 customers who live and shop in Oklahoma. The survey was conducted in September 2025 over 15 days.

HOLIDAY SPENDING

Compared to 2024



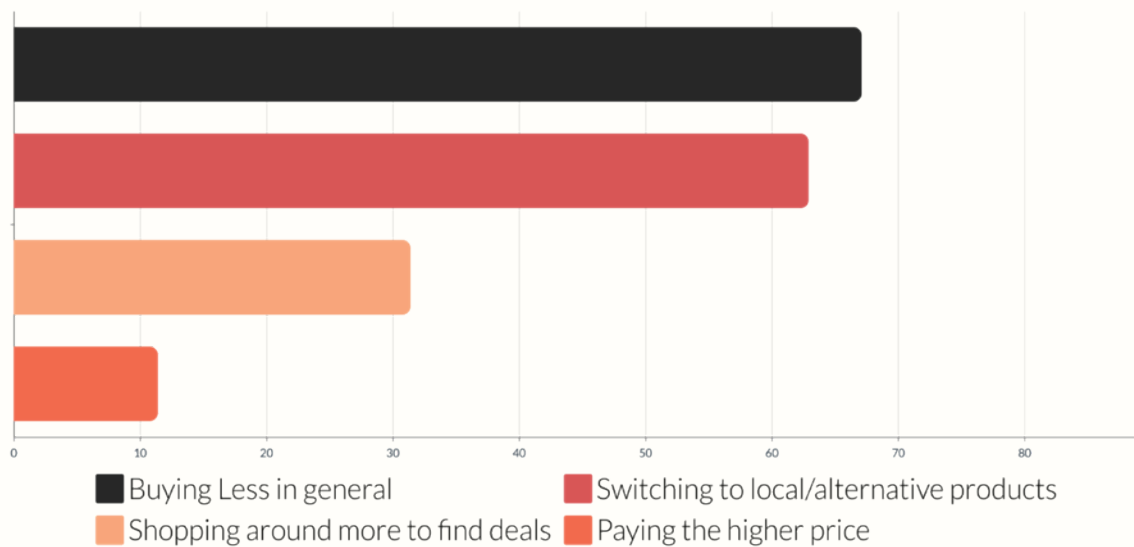
FEELING THE EFFECTS OF INFLATION



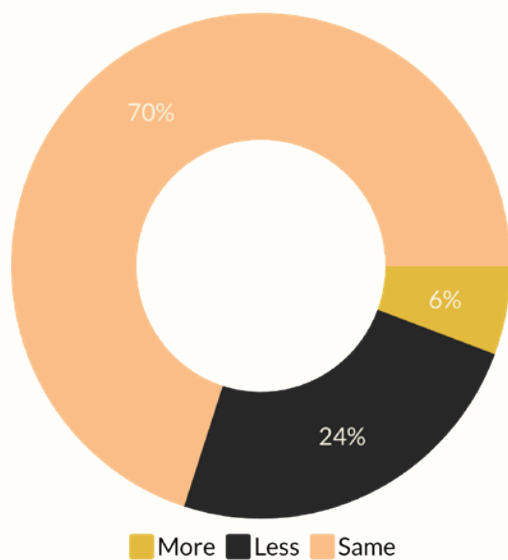
We asked consumers to rate their confidence on a 5-point scale. They reported stronger confidence in their own household finances (3.54) than in the broader U.S. economy (2.39). The divide suggests that even if people feel relatively stable at home, their uncertainty about the wider economy may hold back spending.



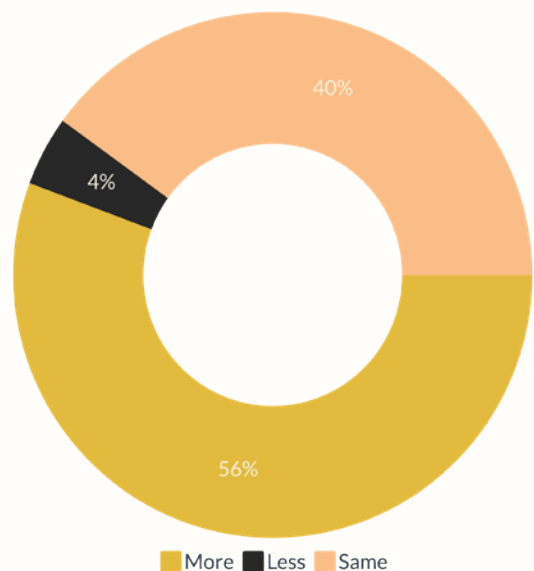
HOW WILL INFLATION INFLUENCE YOUR HOLIDAY SPENDING?



HOW MUCH WILL YOU BE SHOPPING ONLINE COMPARED TO LAST YEAR?



HOW MUCH WILL YOU BE SHOPPING LOCAL COMPARED TO LAST YEAR?



HIGHLIGHTS

- One-third of consumers (33.3%) plan to cut back holiday spending compared to last year, reflecting growing pressure from inflation.
- More than 9 in 10 consumers say they feel the effects of inflation, with most responding by buying less or looking for alternative products.
- While 24% of consumers say they'll shop online less, more than half expect to shop local at the same level or more, signaling a clear opportunity for independent retailers to capture spending.

THEIR STORIES

I STARTED SELLING VINTAGE IN 2017 AFTER FINDING A PAIR OF '90S STEVE MADDEN SLIDES THAT DIDN'T FIT ME BUT FELT TOO SPECIAL TO PASS ON. I LISTED THEM ON POSHMARK AND WHEN THEY SOLD RIGHT AWAY, I REINVESTED THE PROFIT INTO THRIFTING MORE PIECES. THAT SNOWBALLED INTO A REGULAR RESELLING PRACTICE.

By 2021, I had begun doing markets in both Oklahoma City and Los Angeles and even co-founded OK Vintage Market. Customers would constantly ask if we had a store. In a way, they manifested it for us. When the pink shipping container space opened up, it felt meant to be: the perfect size, in our signature brand color and the natural next step in building our business.

My favorite part has definitely been creating a space where our customers can feel comfortable, have fun and truly be themselves. Our goal has always been to source unique '90s and Y2K pieces and keep them affordable so vintage feels accessible to everyone. Beyond that, we love

STEPHANIE ESPOLT
PATTED



hosting events, it's our way of building experiences that show how much we value and appreciate the community that supports us.

Our shop is turning one this year so we've been navigating the typical first-year challenges of balancing all the hats that come with brick-and-mortar: operations, inventory management, sales and especially marketing as we focus on building awareness of our new shop space.

The economy feels unpredictable right now and we've noticed that reflected in day-to-day sales.



Rising prices have definitely made customers more cautious with their spending. We've noticed shoppers being more intentional about each purchase, which means we have to think creatively about pricing, promotions and adding overall value to keep them engaged.

At the same time, we're also seeing customers become more intentional about where they shop, choosing to support local businesses over big chains. I think that shift toward local-focused retail will continue to play a big role in the year ahead. As vintage and secondhand shopping has grown in popularity, our usual sourcing methods have become more competitive and often overpicked. It's pushed us to get creative and explore new ways and places to find pieces. Finding our inventory takes a lot of time, energy and patience, so if we could wave a magic wand to make it easier, it would free up more time to focus on other aspects of the business.

Changes in the local retail landscape though, like other shops closing, have affected overall foot traffic. While it's been a challenge, it has also pushed us to explore new ways to draw people in through marketing, events and building stronger connections with our community.

If I could talk to a policymaker, I would tell them that local shops need more support and incentives to stay open. Running a small business is high-stakes, especially when it's just one or two people making every decision, compared to larger companies with entire teams and boards to share responsibility

Policies that help reduce costs, streamline regulations or provide resources for small business owners could make a huge difference in keeping these essential community spaces alive and thriving. Local shops are incredibly important to Oklahoma City because they shape the character and personality of our city while also attracting tourism. Our vintage scene, in particular, is large and diverse with a wide mix of sellers and passionate buyers, creating the kind of community you'd typically find in a bigger city.

Beyond shopping, these businesses provide spaces for people to connect, share ideas, and support one another. They help define the culture of our city and give visitors a warm, authentic introduction to OKC, especially when they weren't sure what to expect, always leaving a memorable impression.

VII.

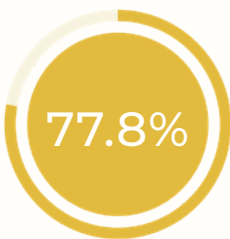
BUSINESS PRACTICES.



THEIR Events.



**AVERAGE ANNUAL INCOME
GENERATED AT EVENTS**

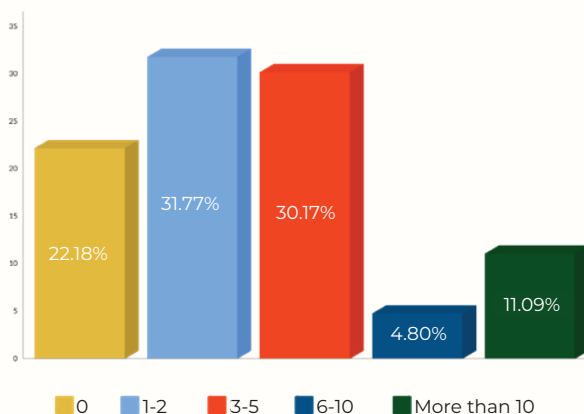


**OF SHOPS
PARTICIPATE IN EVENTS**



**OF SHOPS PARTICIPATE IN MORE
THAN 6 EVENTS PER YEAR**

NUMBER OF EVENTS PER YEAR



Chirps & Cheers



A NEEDED BOOST

Events remain a vital part of the independent retail ecosystem, both for revenue generation and for customer connection. Nearly 78% of shops report participating in events each year, underscoring how integral these opportunities are to their overall strategy.

On average, events account for 12.96% of annual income, representing a meaningful share of revenue for many shops. While some retailers only join a handful of events, 15.9% take part in more than six per year, making these occasions a core part of their business model.

The distribution shows a balance between shops testing the waters with 1-2 events (31.8%) and those investing more heavily with 3-5 events annually (30.2%). A smaller but notable group (over 11%) participate in more than 10 events each year, relying on them as a consistent driver of traffic and sales.

The data highlights how events extend far beyond short-term sales boosts. They are community touchpoints that reinforce brand visibility, attract new customers and help local shops remain competitive in an increasingly digital-first retail environment.

E-COMMERCE.

E-commerce continues to pose challenges for independent retailers. Limited staff, resources and uneven access leave many shops struggling to keep pace online, with digital sales still accounting for only a small share of revenue. For most, e-commerce remains a necessary but difficult supplement rather than a reliable growth engine.



On average, shop owners reported spending 13.8 hours per week working on their website. This is consistent with last year when the average was 13.2 hours per week.



71.4%

Have an online shop.
79% of those in the metro
have e-commerce compared
to 36% in rural areas.



13%

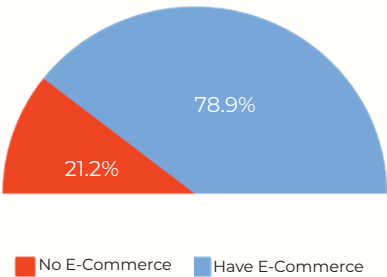
Average total revenue
made online has plateaued
over the last two years.

Independent retailers continue to view e-commerce as an important, though uneven, part of their business. In 2025, 78.9% of metro shops reported having an e-commerce platform, compared to just 36.4% of rural shops. A gap that underscores the ongoing digital divide between urban and rural retail.

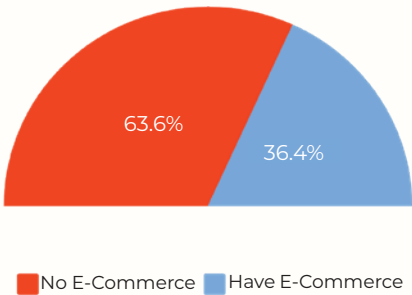
By category, clothing stores lead with 85.7% online participation, while specialty shops (70.8%) and home goods (62.5%) lag behind. For those who do sell online, an average of 13% of total revenue is generated through digital sales. Clothing shops performed slightly above average at 15%, and specialty shops reached 14%, while home goods reported just 7% of sales online.

This data makes clear that while e-commerce has established itself as a steady channel for many independents, it remains a secondary stream rather than a primary revenue driver. Shops investing more time into maintaining and marketing their online platforms continue to see stronger returns but the majority still rely on in-person shopping as their core business.

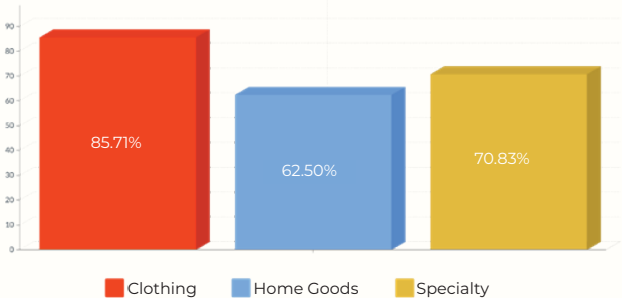
METRO



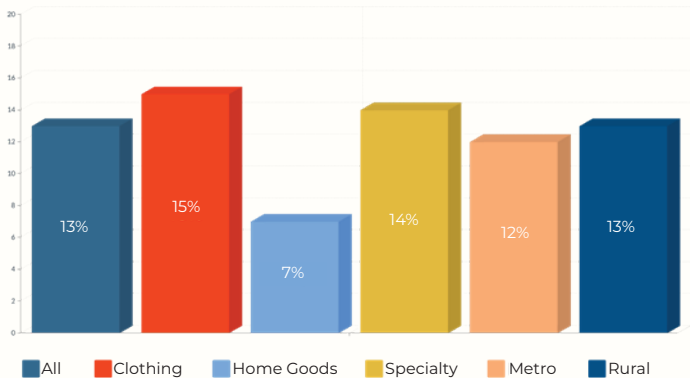
RURAL



SHOPS WITH E-COMMERCE



REVENUE GENERATED ONLINE





Cargo Room

E-COMMERCE PLATFORM

Shopify has solidified its dominance among local retailers, with 54.6% of shops now using the platform, up from 50% last year. Its ease of use, integrations and strong reputation for driving sales continue to make it the go-to choice for independent retailers building or expanding their online presence.

Other platforms have a much smaller footprint. Square holds second place at 13.6%, followed by Squarespace (9.1%) and Lightspeed (8.9%). WordPress and WooCommerce each account for just 2.3% of shops, while another 9.3% use alternative platforms.

The data suggests that while some retailers continue experimenting with niche or custom solutions, Shopify's share of the market continues to climb, highlighting how critical a streamlined, reliable e-commerce system has become for small shops trying to compete with larger online players.

SHOPIFY



SQUARE



SQUARESPACE



LIGHTSPEED



WORDPRESS



WOOCOMMERCE



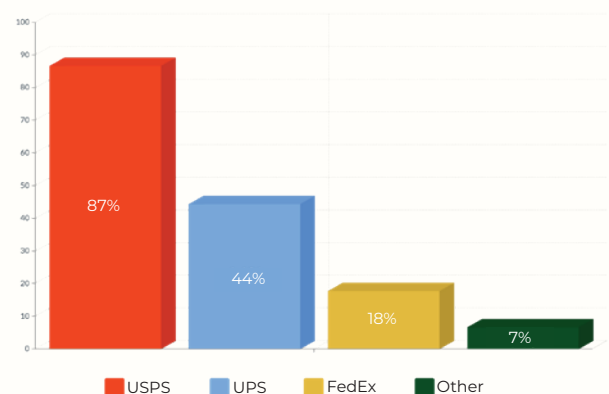
OTHER



SHIPPING

USPS is still the overwhelming favorite, with 87% of retailers relying on it for their shipping needs. Use of UPS (44%) and FedEx (18%) lags far behind, while just 7% reported using other carriers. The shift away from the private carriers that began in recent years has only solidified, as shopkeepers continue to look for the most reliable and affordable options.

PREFERRED SHIPPING



SOFTWARE AND SERVICES.

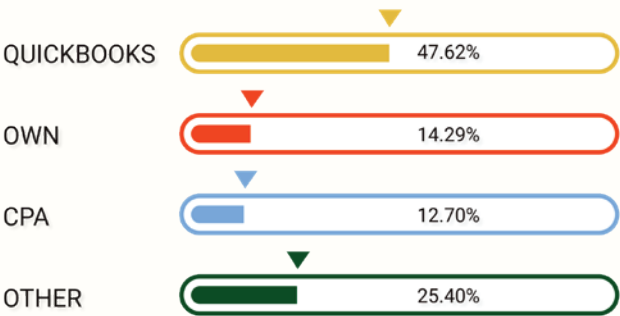
Independent retailers continue to adapt their operations with software that helps manage finances, track sales and streamline customer transactions. But the data shows a shift toward diversification and cost-conscious decisions.



ACCOUNTING

Close to half use Quickbooks

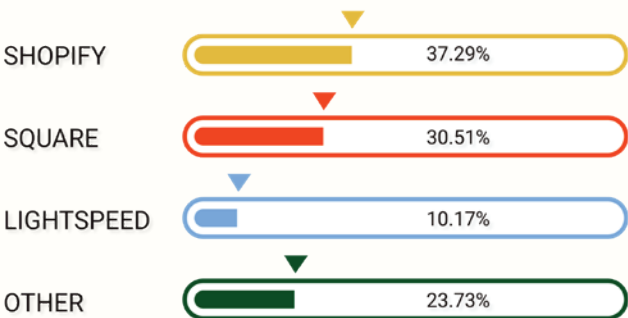
QuickBooks remains the most widely used platform, with 47.6% of shops relying on it. However, more retailers are looking for alternatives. 14.3% now manage their accounting through their own systems and 25.4% use other tools, suggesting that shops are increasingly seeking lower-cost or more tailored options. CPAs, once a common choice, now account for just 12.7% of usage.



POINT OF SALE

Shopify and Square take the lead

Shopify and Square dominate the POS landscape, with 37.3% and 30.5% of shops using them respectively. Both platforms are especially popular with newer shops due to their accessibility and ease of integration. Lightspeed's share has continued to decline, dropping to 10.2%, while nearly one-quarter of respondents (23.7%) report using other platforms.



ADVERTISING.

Advertising continues to be a point of tension for independent retailers. This year, 56.52% of shops reported not using any paid advertising at all, a figure that underscores how many are pulling back amid rising expenses and limited returns. Among those who do advertise, Facebook (39.7%) and Instagram (41.3%) remain the most common platforms, though shopkeepers continue to express frustration with the effectiveness of social media ads.

SOCIAL ADS

At the same time, the share of shops reporting use of “other” platforms has nearly doubled in a year, climbing from 6% to 11.1%. This likely reflects experimentation with newer channels such as TikTok or localized digital advertising, as retailers seek alternatives that feel more effective or better aligned with their customer base.

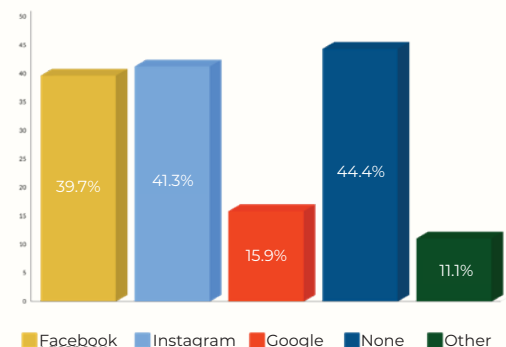
While Google ads remain less common (15.9%), the data suggests that shopkeepers are rethinking their mix rather than simply abandoning advertising altogether, testing new approaches even as many scale back traditional spend.

A large share of respondents, 44.4%, expressed not having a preferred advertising platform as they see less and less return from them, choosing to pivot and test the waters as they go.



**DON'T SPEND ON
ADVERTISING**

ADVERTISING PLATFORMS

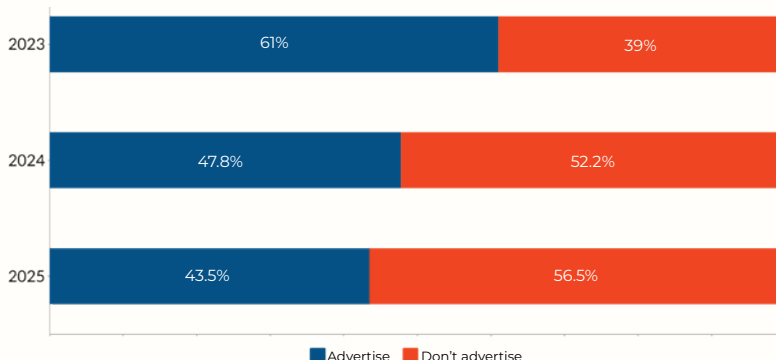


BUDGET

The retreat from advertising is even more pronounced this year. 56.5% of shops reported not spending anything on advertising in 2025, continuing a steady decline from 52.2% in 2024 and just 39% two years ago. This shift underscores how rising costs and waning confidence in ad performance are pushing more retailers away from traditional paid channels.

For those who still allocate funds, the average annual advertising budget fell to \$2,342.39, down sharply from \$3,081 last year. Shopkeepers consistently report frustration that small budgets yield little traction on platforms like Facebook and Instagram, where results often feel tied to significantly higher spending.

Instead of scaling up, many are choosing to scale back and redirecting resources toward grassroots marketing, in-store experiences or word-of-mouth strategies that feel more impactful for their size.



AVERAGE ANNUAL BUDGET



ARE EVENTS THE ANSWER TO ALGORITHMS?

Consumers now exist in two parallel spaces. They live online, where convenience and algorithms shape their choices, but they also crave experiences that pull them back into the real world. Both channels matter but they are not equal. For local retailers, one channel keeps them endlessly chasing in a system tilted toward scale while the other lets them meet customers on their own terms and be rewarded for what makes them different.

Online, shops spend hours each week posting, photographing, packaging and paying just to stay visible. The reward is roughly 13% of annual income but it comes with constant upkeep and rising costs. Algorithms decide who is seen and increasingly they favor national chains with advertising budgets that no independent shop can match. The work is endless and the reach fragile.

Events produce the same share of income but with only an average of three events per year or about one every four months. A handful of weekends yields what e-commerce demands all year. And the return isn't only financial. Events replicate the logic of social media but strip out the gatekeeper. Each shop brings its audience and those audiences naturally spill over. The boutique's customer discovers the jeweler; the food maker's patrons stop by the home goods table. Instead of competing for visibility, retailers amplify one another.

This is the key distinction: online platforms extract value but events circulate it. Algorithms isolate shops, ranking and filtering them apart. Events cluster them, creating a multiplier effect where one shop's presence strengthens the others. The cross-marketing is organic, the

exposure is equitable and the benefits stay within the community.

What looks like parity in the numbers reveals something deeper when you account for effort and impact. One channel is designed for scale and punishes those without it. The other rewards story, curation and human connection, the very things independent shops do best. And it's an arena where national chains can't easily compete: they can dominate feeds and ad space but they cannot replicate the intimacy and authenticity of a neighborhood market or a local festival.

This does not mean retailers should abandon digital. It is here to stay and it will remain part of how they reach customers. But it does mean recognizing the true weight of each channel. Online sales will always demand constant energy in a system that rarely favors small players. Events, by contrast, allow independent retailers to generate equal returns with less labor while building loyalty and community ties that no algorithm can manufacture.

For communities, events are one of the simplest and most effective ways to grow local retail. Hosting or supporting markets, festivals and pop-ups can help bridge the divide and level the playing field for independent shops. Every purchase at an event multiplies impact, strengthening individual shops, circulating dollars nearby and reinforcing the ecosystem that makes neighborhoods thrive. In a landscape where algorithms increasingly steer consumers toward national chains, events remain one of the few spaces where independent shops can compete on their own terms and win.



JOHNNY AND JUNE

SEVEN
DE POSSIBLE

CARDS
ONLY

GRAB & GO GIFTS:
Teacher & Hostess
Gifts

Parcel Goods + Gifts at Holiday Pop-Up Shops

THEIR STORIES

I LOVE HELPING KIDS AND ADULTS FIND THAT PERFECT BOOK. I WAS A LITERATURE TEACHER FOR 30 YEARS AND JUST BEING AROUND PEOPLE WHO LOVE TALKING ABOUT BOOKS IS INSPIRING TO ME. I LOVE BEING A LOCAL SHOP OWNER AND SHARING MY PASSION FOR BOOKS WITH ANYONE WHO WALKS THROUGH MY DOOR.

Local shops are important because they embrace your community and support the children's activities in the community. We are 100 percent behind the community. We sponsor what we can, donate to schools and actively participate in community events.

For many of us, we are a one- or two-person team trying to do it all. It can get somewhat overwhelming. It requires true dedication along with some blood, sweat and tears. But, for many, it's a dream come true. Support from those who make the policies and promote the towns should be unconditional.

Unfortunately, competition with Amazon and big box stores are always present. So we strive to make the consumer experience as personal and inviting

KAREN BARROS

**ENCHANTED
CHILDREN'S
BOOKSTORE**



as possible. We are in a small and charming town but getting individuals to stroll and enjoy Main Street has been a challenge. To help with that, we host events every week to entice the shoppers to check us out.

I see customers becoming more respectful of buying local. Having personalized service always outdoes a computer screen. However, passing on rising costs has been a challenge. In the book industry, our product comes already priced so we have no choice but to raise and match those prices.

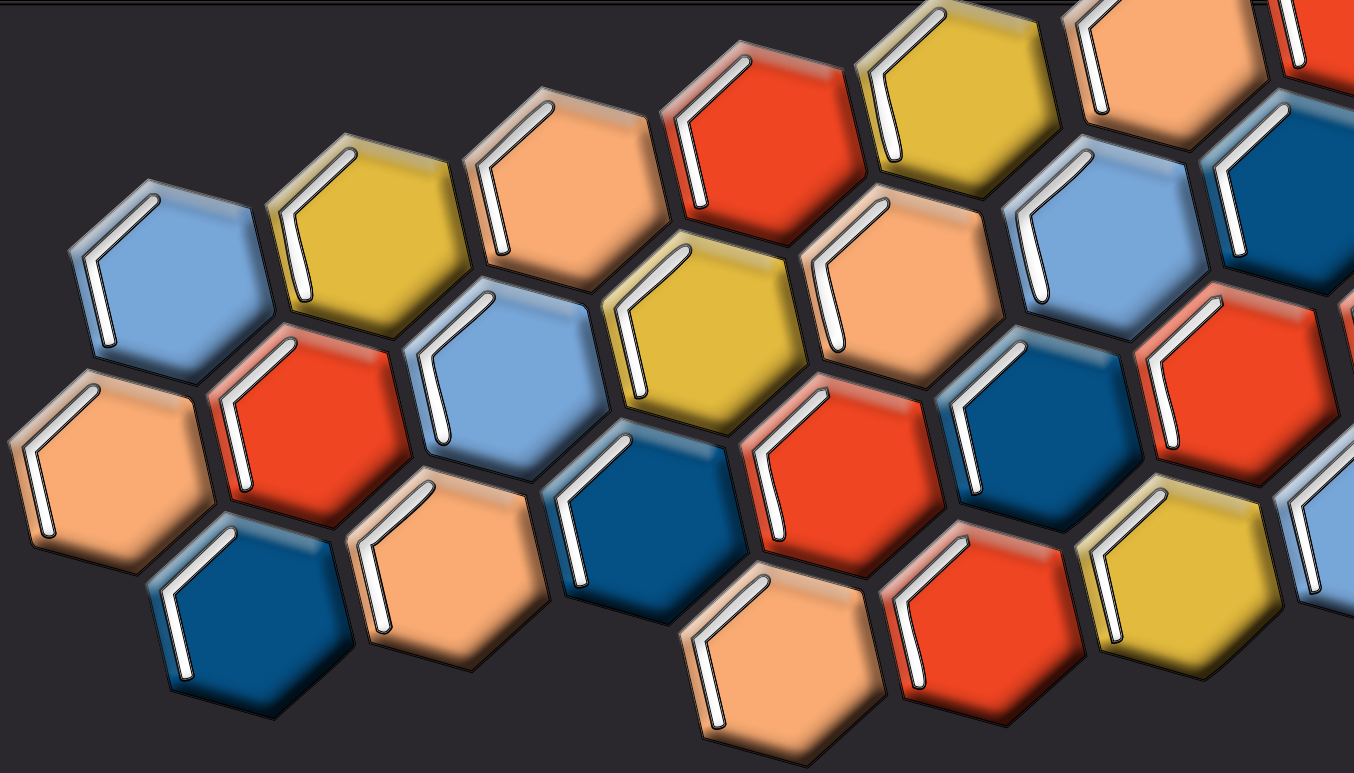
Still, my favorite part of owning a local shop is always meeting the people from not only our community but also the surrounding communities.



independent shopkeepers association

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MICRO SHOPS.

MACRO IMPACT.



independent shopkeepers association

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