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**“The Retail Sector on Long Island: Overlooked, Undervalued, Essential!”  
Report Shows Importance of Sector, Identifies Challenges, Proposes Actions**

The Long Island Business Council (LIBC) is today releasing “*The Retail Sector on Long Island: Overlooked, Undervalued, Essential!*” The regional retail sector impacts the lives of every Long Islander, and every Long Islander, in turn, impacts the retail sector. Directly or indirectly, the retail sector is universally accessed by every American, and is fundamental to our economy and lifestyle.

The report is structured in three sections. The first takes an economic perspective and reviews retail sector performance in context with COVID-19 and historical data. Other than during the Great Recession, retail sales have grown every year since 1992, including a COVID-dominated 2020 (3.2% growth over 2019). The pandemic did not affect all retail subsectors uniformly. Some thrived while others suffered. Retailers who were well-invested in e-commerce generally reaped benefits and should emerge from the pandemic in a stronger position.

The second section identifies significant challenges faced by the sector, including hypercompetitiveness, evolving consumer preferences, rapidly changing technology, fulfillment obstacles, skilled workforce availability, susceptibility to external factors, and the growth of e-commerce. This growth in e-commerce, and an increasingly omnichannel marketplace, is affecting local shopping by shifting perceptions of “closest in proximity” from the local downtown or shopping center to the closest device that connects a shopper to e-commerce.

The third, and most important section, offers twelve actions stakeholders can take to help meet these challenges.

Retailers should work with government and economic developers to create a ***Long Island Virtual Trade Show*** as a digital platform that houses a searchable database of regional businesses, census of business activity and trends, repository of business development resources and best practices, job board, and a regional prospectus for business attraction. Retailers and government leaders should also collaborate to mobilize the collective local fulfillment resources into a collaborative, scalable and ***integrated regional microfulfillment infrastructure*** that can be accessed by local retailers that have no or minimal in-house fulfillment operations of their own.

The long and steady growth of e-commerce has been accelerated by COVID-fueled buying, which also expanded online buying to what were once primarily brick-and-mortar stronghold categories. Long Island retailers must accept the reality of e-commerce penetration, ***boost e-commerce commitment*** and collaboratively pursue the creation of a comprehensive *Shop Long Island digital platform*, which would be supported by the virtual trade show and the microfulfillment infrastructure.

New York State should provide equity for in-state retailers by lowering the threshold for sales tax collection on sales by out-of-state e-commerce vendors that still leaves many New York retailers at a competitive disadvantage. A system that yields ***sales tax fairness*** can and must be adopted that expands New York’s ability to capture lost sales tax revenues in a way that complies with the spirit of SCOTUS-recognized principles.

Responsibility for several of these actions falls to the retailers themselves. These include adjusting to the new normal by **renewing and reigniting proven business practices** after an incisive institutional soul-search, **embracing omnichannel strategies**, optimizing customer journey touchpoints, and working to **prioritize convenience and create experiences** for customers. Retailers should also engage more aggressively in sectorwide **advocacy** and form a **Regional Retail Council** to advance the interests of all retailers regardless of whether they are located in downtowns, malls, shopping centers, freestanding locations or home offices.

**Physical infrastructure** is the foundation for economic capacity, productivity, growth, inclusivity, sustainability and accessibility. It must connect Long Island residents to downtowns, shopping centers, malls, freestanding retail locations, industrial, office, health care and leisure assets. To optimize infrastructure, business community input and business impact analysis must be included in decisions on infrastructure projects.

Additionally, retailers should work with educators, unions, employees and government to **reimagine the retail workforce** with increased workforce investment that provides skilled workers, upscaled training, appropriate compensation and desirable retail career paths. Retailers should also work with technology, business and education leaders, as well as college interns to create a plain-language guide to evaluating costly and confusing technology solutions so that they can more easily **adopt and leverage meaningful technology**.

Michael A. Harrison, LIBC Executive Director and report author, said, “Retailers will need to master an increasingly omnichannel landscape, which means upping their e-commerce game, focusing on customer convenience and ensuring customer experiences are frictionless within channels and seamless across channels. To achieve this, retailers will need help from government and economic developers to improve e-commerce literacy, create a regional microfulfillment infrastructure and develop a Long Island Virtual Trade Show that can serve as a basis for a Shop Long Island e-commerce platform.” He added, “The ability to implement that regional e-commerce platform, and help local brick-and-mortars become a viable part of it, will equip Shop Local initiatives with a tool to navigate the growing omnichannel marketplace.”

Richard M. Bivone, LIBC Nassau Co-Chair said, “We need to look beyond the pandemic and work to prompt the structural and systemic changes that can help ensure when recovery comes, it will be complete and sustainable. This report represents the Business Council’s inaugural effort in that regard.”

Robert G. Fonti, LIBC Suffolk Co-Chair said, “Long Island’s retail sector has been so affected by the pandemic. It is long past time for the sector and its essential workers to get deserved recognition and attention. We hope this report helps make the difference that is so needed for this vital sector.”

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*The Long Island Business Council (LIBC) is a collaborative organization working to advocate for and assist the business community and related stakeholders. LIBC will create an open dialogue with key stakeholder groups and individuals to foster solutions to regional and local economic challenges. LIBC will serve as a community-focused enterprise that will work with strategic partners in government, business, education, nonprofit and civic sectors to foster a vibrant business climate, sustainable economic growth and an inclusive and shared prosperity that advances business attraction, creation, retention and expansion.*