Vertex Holiday Shopping Survey Emphasizes the Crucial Role of Tax Automation

Tax technology helps retailers reduce complexities to remain competitive as consumers strive for seamless shopping experiences

King of Prussia, PA – November 26, 2024 – Vertex Inc. (NASDAQ:VERX) ("Vertex" or the "Company"), a global provider of tax technology solutions, announced the results of its peak season consumer survey, revealing how modern consumer behavior continues to challenge businesses for managing shifting expectations and shopping habits in a competitive retail landscape.

Today's consumers expect to purchase any item from any retailer, anywhere, without additional costs—challenging businesses to streamline tax processes and manage indirect expenses seamlessly. These shopper preferences add further complexity during high-volume shopping periods. Out of 1,000 respondents, 73% are prioritizing free shipping and 58% are choosing to purchase more gift cards and experiences this season compared to previous years. This underscores the immediate need for retailers to implement fast and accurate tax calculations to ensure seamless transactions – for digital goods, gift cards or physical items at checkout.

"During major shopping events like Black Friday and Cyber Monday, retailers want the confidence of knowing their tax configuration and setup is already in place, and able to scale, so they do not need to touch their system in these critical peak periods," said Sal Visca, Chief Technology Officer, Vertex. "This is a top priority for Vertex when supporting our customers on their biggest days – especially in the e-commerce era where they have buyers from all over the world shopping at any time during the day or night. Resiliency, elasticity and redundancy are foundational in our platform so there is no friction in the user journey or loss of commerce flow which could ultimately impact the bottom line."

As businesses continue to meet these demands, omnichannel commerce adds significant tax complexity. Customers may purchase from one channel and return in another, often spanning across different taxing jurisdictions – among 13,000 in the U.S. Additionally, retailers introducing new products and bundles must classify them for accurate taxability and calculation. This demands comprehensive tax content that is up to date with the ever-changing monthly updates, configurable rules and automation tools to streamline the process, ensuring seamless handling of any product in any location. Vertex's automated tax solutions can simplify this process, helping tax departments manage the complexity and helping to ensure compliance with every transaction.

Other findings from the survey include:

- **Online retail traffic to surge:** 77% of combined consumers plan to shop more online or a mix of online and in-store. With only 23% planning to purchase more items in-store, retailers will process a high volume of transactions across both channels – relying on their technology solutions to maintain consistency, system efficiency, reliability and stability during these peak moments.
- **Consumers favor marketplaces:** 64% opt to shop through a trusted marketplace, which likely offers free shipping, multi-vendor product and service bundling and convenience perks and simpler returns versus a retailer's online shopping experience.
- **Consumer behavior and sales tax knowledge**: 72% of consumers closely track where a product ships from and 73% are aware of their home state's sales tax. However, only 17% factor sales

tax into their purchasing decisions or consider the complexities retailers face when selling in one state and shipping to another.

Retailers must capitalize on major shopping holidays, such as Black Friday and Cyber Monday, when consumer participation is at an all-time high. Accurate, fast and automated tax calculation is essential for providing a seamless customer experience, and a trusted tax engine is crucial for efficiently maintaining compliance. With Vertex's end-to-end platform, retailers can capitalize on peak moments while ensuring continuous compliance.

To learn more about Vertex and its indirect tax and compliance solutions for e-commerce and more, visit www.vertexinc.com/solutions.

About the Survey

This survey was conducted via Dynata and polled 1,000 general U.S.-based consumers over 18 years of age in November 2024. Respondents were segmented and analyzed across age groups, gender, marital status, having children and household income. For complete survey methodology, please email vertex@pancomm.com.

About Vertex

Vertex, Inc. is a leading global provider of indirect tax solutions. The Company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply and grow with confidence. Vertex provides solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, value added and payroll. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,500 professionals and serves companies across the globe.

For more information, visit www.vertexinc.com or follow us on Twitter and LinkedIn.

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Vertex Company Contact:
Rachel Litcofsky
Manager, Public Relations
mediainquiries@vertexinc.com