

RESEARCH

## How dramatically are US retail consumer trends shifting amid the COVID-19 crisis?

March 25, 2020



*Fear has driven consumer purchases from discretionary to necessity, as would be expected in a pandemic situation. Image credit: NPD*

By LUXURY DAILY NEWS SERVICE

Ask Marshal Cohen, chief industry advisor for retail at NPD Group, and one of the top experts in his field.

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Mr. Cohen expects this unprecedented disruption to consumer lifestyle will change short- and long-term behavior, especially among millennials for whom this is their second crisis after the 2008-09 Great Recession.

"Our focus has shifted dramatically," Mr. Cohen said from his Port Washington, NY, base. "Fear has moved purchases from discretionary to necessity. We are thinking more about finding solutions than fulfilling desires."

**NPD** is one of the leading market researchers in the United States.



Here, in Mr. Cohen's words, is his analysis of the retail consumer trend shift:

We are in the midst of unprecedented times. Work, family, social, health and emotional well-being have all instantaneously changed. This disruption to our entire lifestyle will most certainly change our short- and long-term behavior as consumers.

Our focus has shifted dramatically. Fear has moved purchases from discretionary to necessity. We are thinking more about finding solutions than fulfilling desires. While our [weekly U.S. consumption trends](#) data shows sales for the first week of March (week ending March 7) looked similar to last year with 2 percent dollar growth overall, we expect to see this change over the next two reporting weeks. At the industry level, the data already shows some significant trends building.

Some industries are certainly more vulnerable than others. Even in these early stages, short-term opportunities are emerging, helping us all navigate the unknown path ahead with a little more direction and hope. Here's a quick look:

- Wardrobe and beauty needs will change. Apparel and beauty sales were already slowing at the start of March, but athletic footwear saw a reversal to positive growth during that first week.
- Office supplies benefited from a leap in sales of janitorial supplies, like disinfectant wipes and cleansers, driving double-digit dollar gains. Work-from-home supplies will be the next strong priority to benefit this industry.
- Growth in small appliances in the week ending March 7 indicates a focus on cooking and cleaning. This is likely to continue as these products offer assistance with living a socially distant and healthy lifestyle.
- While it's still too early to see the impact of the current situation, tech and toys have huge opportunities ahead in entertainment, education and workspace across age groups.

There are endless shifts we will need to plan for. An online sales boost and dominance of buy-online-pick-up (curbside) options are inevitable. We will see millennials adjust their habits as they face the second financial crisis in their young adult lives. And our supply chain will shuffle between urgent replenishment and halted needs.

The reality is that no one can say when or where this situation will end. Monitoring retail sales and consumer behavior will be key to understanding the COVID-19 outbreak's impact on retail as it progresses.