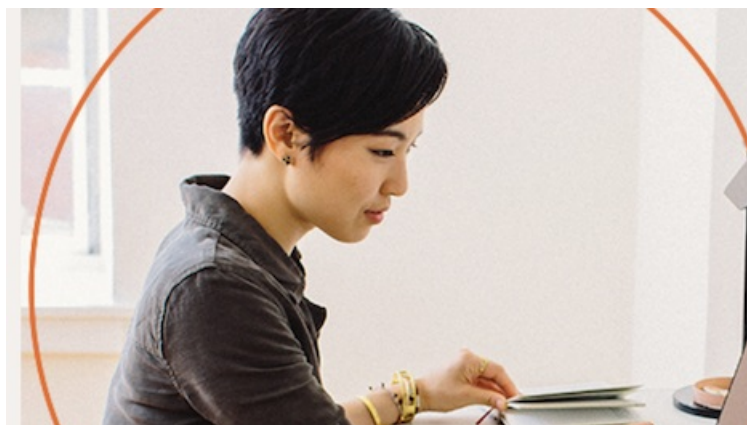


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## US online sales in April and May reached \$53B: Mastercard

June 25, 2020



*Mastercard's SpendingPulse examines consumer purchase behavior during the pandemic lockdown in April and May. Image credit: Mastercard*

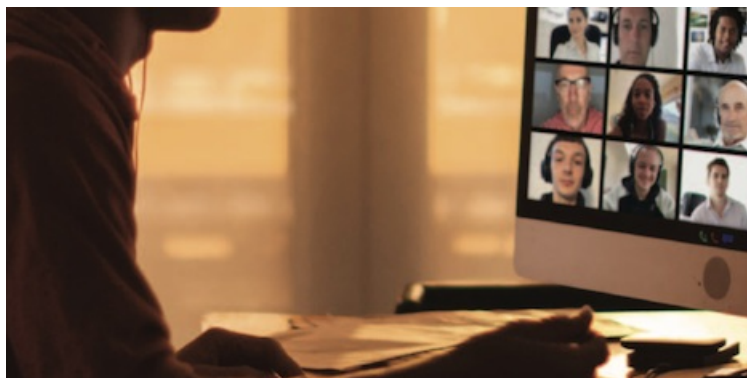
By DIANNA DILWORTH

Reopenings in the United States are hinting at a positive recovery as consumers have begun spending again, and pandemic-related ecommerce trends could be here to stay, according to a new report from Mastercard.

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Consumer spending appears to be normalizing in a number of markets, according to Mastercard SpendingPulse, which tracks overall retail sales across all payment types, including cash and check. The report revealed that U.S. ecommerce sales were up 92.7 percent in May, as consumers in lockdown have adapted to a new way of life.

"The shift to digital ways of shopping has been undeniable, while everything else has been incredibly unpredictable," said Steve Sadove, former CEO of Saks and currently senior advisor at Mastercard, Purchase, NY.



*Mastercard's SpendingPulse explores the difference between wants and needs among consumer purchases during the pandemic. Image credit: Mastercard*

### Lockdown buying habits

As some states started their reopening process, many consumers have begun to spend more than they did during lockdown.

Total retail sales in the United States for May saw an improvement from April with sales only down 5.6 percent as

compared to 2019, according to Mastercard's Recovery Insights report.

But even as stores reopen and shoppers begin spending more, the shift to digital will likely continue as consumers look to avoid long periods of time inside bricks-and-mortar stores.

"The idea of leisurely browsing in person doesn't apply in a quarantine world," the Mastercard report said.

"Customers are getting in and out as quickly as possible. Many larger restaurants and retailers are taking some of the stress out of the system by having consumers order online, by phone or mobile app and then offering curbside delivery at the nearest point of retail.

"It will be interesting to see if this behavior, meant to be temporary, becomes permanent as consumers become more comfortable with this new means of engagement and convenience."

On lockdown, 28 percent of consumers said they miss eating out, 19 percent miss traveling and 19 percent miss out of home leisure activities. But that does not mean that consumers will immediately resume these behaviors.

"The survey also indicates that while consumers miss these out-of-home activities, they are not jumping back into their pre-COVID habits immediately, with 20 percent of respondents suggesting COVID-19 will impact life for more than 1 year, and another 49 percent who believe the impact will last between 4-12 months," the report said.



*Mastercard SpendingPulse found that between April and May, consumers spent more than \$53 billion on ecommerce channels. Image credit: Mastercard*

#### Ecommerce sales double

Ecommerce made up 22 percent of all retail sales in April and May, up from 11 percent in 2019.

U.S. consumers spent more than \$53 billion on ecommerce channels between April and May. More money was spent online in the U.S. during that period than the last 12 Cyber Mondays combined.

The shift away from bricks and mortar into online channels is a global phenomenon.

In April and May 2020, ecommerce made up 33 percent of total retail sales in the U.K. a record high.

Consumers in lockdown have focused on home decor and groceries. Purchases in U.S. hardware sales online and in-store were up 36.2 percent compared to 2019. Furniture sales grew 7.5 percent year-over-year in May, the strongest growth rate for the sector since August 2018.

Groceries sales were up 9.2 percent year-over-year in May across online and in-store, the strongest grocery sales volume for the month of May in SpendingPulse history.

"The question is what changes will stick around for the long-term," Mr. Sadove said.

"Investing in your home and shopping local are two recent trends," he said. "Heightened demand for touch-less services is another, which could have a tremendous impact on what stores actually look like and how they blend their online and brick-and-mortar footprints."

#### Touch-less future

No Touch service will likely become the standard in topnotch customer experience, as consumers hope to continue to cut down on physical contact with retailers and brands.

"From High Street to Rodeo Drive, more time, more attention and more touch lavished on high-priority customers has meant a higher quality experience and, ideally, higher sales for the business," Mastercard said in the report.

"Enter COVID, and the model has been turned on its head. Now fewer attendants, less interaction and no touch wherever possible signifies quality. Having someone see you pull up and scurrying out with product in hand,

whether shoes or steak, and delivering it to you with gloved hands through the window is the new standard in white glove' treatment."

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