

**Consideration Points for US Retail – Key Take-aways**  
**By Don Unser, Retail Industry Strategist**  
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As the United States emerges from pandemic rules in the coming months, and as you navigate your path forward, there will be large and small changes for retailers to consider. Companies will be setting new policies about returning to offices, more schools will reopen for in-person learning, and consumers will again start to travel—all of which have enormous implications for the retail industry.

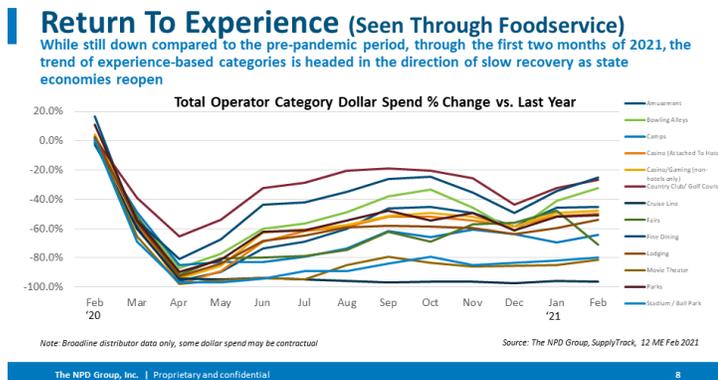
**Potential addition of 12M to 28M new workers from home compared to 2019**

As more businesses emerge from pandemic rules in the coming months, companies will be setting new policies regarding returning to offices. NPD estimates 20% to 35% will still work part-time or full-time at home, which has huge implications for technology, apparel, footwear, automotive, and food service.



**Experience spending (entertainment and travel) will shift some discretionary spending**

While still down in the first two months of 2021, compared to the pre-pandemic period, spending on foodservice and other of experience-based categories is starting to come back as state economies reopen. Retail sales data also indicates consumers are preparing for their return in-person activities with complementary purchases.

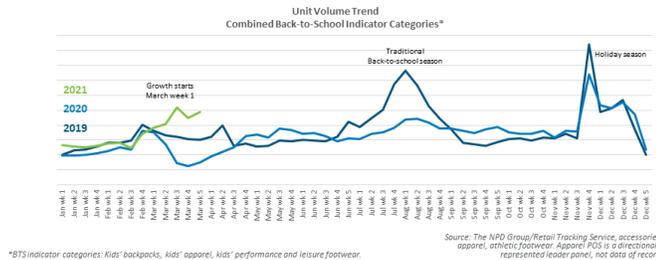


**Kids returning to the classroom – mini-back-to-school (BTS) in March/April**

In early March, unit sales of school-based softlines categories surpassed 2019 levels. During the last three weeks, sales grew by triple-digits versus 2020 and by double-digits versus 2019. The volume is lower, compared to other key selling periods, but the increase is clear. The stimulus, vaccine rollout, spring weather, earlier Easter, and other factors are also at play, so it's difficult to isolate the true back-to-school impact, but it's clearly a trend worth watching.

### Back-to-School Indicators – Softlines Industries

In early March, unit sales surpassed 2019 levels, and during the last three weeks of the month grew triple-digits vs. 2020 and double-digits vs. 2019.

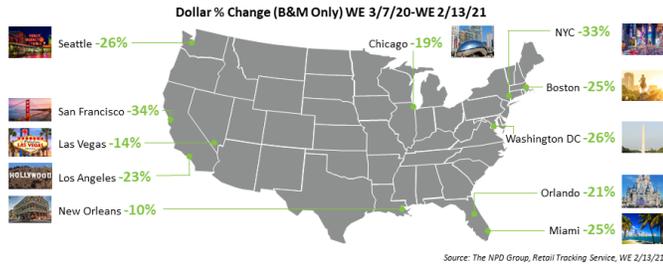


### E-commerce sales levels remain high, even as consumers return to stores

The top cities for tourism in the U.S. have posted stagnant performance in brick-and-mortar store retail. Looking ahead the level of in-city working that returns will be a concern for many retailers in these areas.

### B&M Retail Performance by Major City

The top cities for tourism in the U.S. have seen a stagnant performance in brick and mortar retail



### The pandemic has driven a change in clothing sizes for 40% of woman and 30% of men

Compared to a year ago, men and women are buying new – mostly larger – sizes, even as total home fitness sales grew by 96% from December through May 2020 versus the previous year.

## Time For New Apparel

Compared to a year ago, 40% of females & 30% of males are a new size



U.S. consumers ate 15 more snack foods while feeling



Total home fitness sales grew from May-Dec



The NPD Group / NPD Trend Tracker survey done in conjunction with NPD partner CivicScience, March 2021, NPD's Culture of Snacking report & NPD's Sports Retail Tracking

## Urban areas of the world will be slow to recover

Comparing the brick-and-mortar store heat map to last year, certain months were deep in negative territory. It's also important to remember that California, New York, New Jersey, and Florida have never been positive throughout the pandemic.

## Store Sales by CBSA — YTD

Major Cities driving declines  
Portland, LA, San Diego, NY, Miami, Boston



Source: The NPD Group/Point-of-Sale Early Indicator Report, NPD Universe

## Looking forward . . .

As we all look toward the future of retail, the focus should be on repositioning rather than “recovery” since consumer technology, housewares, and other categories actually grew compared to the previous year. At NPD we continue to look closely at specific economic markers in hardlines, softlines, and food. As those markers improve, consumer behavior will certainly follow.

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