



Retail sales were boosted by curbside pickup and other services.

## RETAIL

## Retail Sales Picture Brightens

- The National Retail Federation and Planalytics are bullish on the outlook for 2021.

BY JEAN E. PALMIERI

**The Roaring '20s** might just be back after all.

That was the projection from the National Retail Federation and Planalytics, which said retail sales are expected to grow between 6.5 percent and 8 percent

this year to reach a total of \$4.3 trillion – a level not seen for 17 years.

And even though apparel sales have had a sluggish start to the year, they are expected to benefit from a “dress for egress” trend as warmer weather and expanding vaccinations draw people out of their homes.

In a webinar Thursday afternoon, Katherine Cullen, senior director of industry and consumer insights for NRF, said that despite the pandemic, retail sales

actually rose 6.7 percent last year with an 8 percent jump over the holiday season. And not all of the gains came online.

“E-commerce certainly grew,” she said, “but that’s not the full story.” Overall, e-commerce sales rose 22 percent over 2019, with a peak in April during the height of the pandemic lockdowns. But the situation “settled down,” and by the end of the year, e-commerce accounted for 16 percent of total sales, up 3 percent from 2019.

So while online continues to attract the most attention, “the role of stores is still integral,” she said. That’s not to say that physical retail has not had to adapt, but by embracing buy online, pick up in stores, curbside pickup and in-person pandemic precautions, brick-and-mortar stores continue to be essential to consumer spending.

Turning to this year, Cullen said that as a result of the vaccination effort, economic recovery and general growth, retail sales are seen outpacing GDP, which is expected to grow 4.5 percent to 5 percent. “Consumers are in fairly decent financial shape,” she said, pointing to the government stimulus payments, increased savings and personal wealth levels which are “all positive symbols for retail spending in 2021.”

But while consumers spent more on goods than services last year, the reopening of restaurants, movie theaters and other entertainment venues coupled with less hesitancy to travel are expected to shift the emphasis to services once again, she said.

In a recent survey, Cullen said 45 percent of consumers say that as vaccines become more available, they are more comfortable shopping in stores, 39 percent said they would go to a restaurant, and 33 percent said they’re ready to take a vacation. Among those over the age of 55, those numbers were even larger: 55 percent, 44 percent and 40 percent, respectively.

One laggard, however, has been apparel, where sales are down 14.9 percent since the beginning of the year. That number is expected to improve as in-person gatherings increase. Apparel is also seen getting a boost from the upcoming Easter holiday.

Earlier this week, the NRF and Prosper Insights & Analytics projected that consumers plan to spend an average of \$179.70 overall this Easter. A total of 79 percent of Americans will celebrate the holiday and spend a collective \$21.6 billion.

“With new stimulus funds from the President’s American Rescue Plan, positive trends in vaccinations and growing consumer confidence, there is a lot of momentum heading into the spring and holiday events like Easter,” said NRF president and chief executive officer Matthew Shay. “Many have figured out how to celebrate holidays safely with family and that is reflected in consumer spending this Easter.”

Easter gifts, food and candy are expected to be the biggest categories this year but consumers surveyed said they also plan to spend \$30 to freshen their wardrobes, as compared to \$27 in 2019, according to Cullen.

The weather is expected to cooperate in most parts of the country. Evan Gold, executive vice president of partnerships and alliances for Planalytics, said that although there is still a lot of uncertainty regarding the pandemic and other macro issues, “weather is not an unknown” and “no other external variable” impacts retail sales more than weather.

February was the coldest in six years in the U.S., and March has been cooler yet drier for most of the country, Gold said. For Easter week, the temperatures should be warmer than usual in the West and mostly dry for all regions. As the thermometer continues to rise in April, Gold said consumers will start shopping for new wardrobes as they get out of their houses and enjoy the warmer weather and visits with family and friends.

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## Sweats, Dumbbells Among Bestselling Sports Items in 2020

- Pandemic-fueled workouts helped lift popular categories such as at-home workouts, golf and hiking.

BY JEAN E. PALMIERI

**Sales of sports** and fitness products outpaced the national gross domestic product last year, which is seen as a big win for the category.

In its 2021 Manufacturers’ Sales by Category Report, released Thursday, the Sports & Fitness Industry Association said despite the pandemic, sales of apparel, footwear and equipment rose 0.6 percent in 2020 while U.S. GDP fell 2.3 percent.

Not surprisingly, consumer fitness boomed last year, posting an increase of 40.5 percent and driving the overall number up. Among the most popular purchases were free weights, up 104.2 percent; exercise benches, up 78 percent; home gyms, up 73.7 percent, and exercise bicycles, up 67.1 percent.

Sports apparel was a mixed bag, however. Branded activewear sales fell 5 percent to \$15 billion from \$15.8 billion in 2019. Swimwear was the biggest loser, dropping 32.4 percent, followed by caps/hats, which were down 12.9 percent, and socks, which fell 11.9 percent. However, there were some bright spots. Outerwear sales posted the biggest gains – 14.9 percent over the prior

year – followed closely by fleece/sweats, which rose 14.8 percent, no doubt driven by the work-from-home era of wearing them as much for work as for leisure. Strength was also seen in base layers, which increased 11.4 percent; pants, which climbed 6.2 percent and sports bras, which rose 5.4 percent.

With the cancellation of most team sports, sales in that category were also negatively impacted. Overall, team uniforms dropped 22.5 percent and total licensed merchandise sales fell 4.9 percent. But when it came to equipment, basketball managed to hold its own, growing 11.6 percent, thanks in part to a 20.3 percent gain in backboard sales. Other categories where strength was reported included golf, which was up 19 percent; fishing, up 14.9 percent, and camping, up 10.9 percent.

The athletic footwear category also had a bit of a down year, with a 4 percent decrease overall. Running shoe sales were down 11 percent, as were tennis shoes, and skate/surf footwear was down 10 percent. But shoes for outdoor/adventure categories jumped 15.1 percent, followed by fitness/workout, up 14.8 percent, and golf, up 8.4 percent, as consumers embraced those activities last year.

The SFIA Manufacturers’ Sales by Category Report measures U.S. wholesale revenues across five major categories, 34 subcategories, with nearly 150 various breakdowns.



Golf was among the most popular sports last year.