

Initially, Consumers Panic-Bought. Now, Shopping Priorities Have Shifted.

The 'homebody' economy is growing

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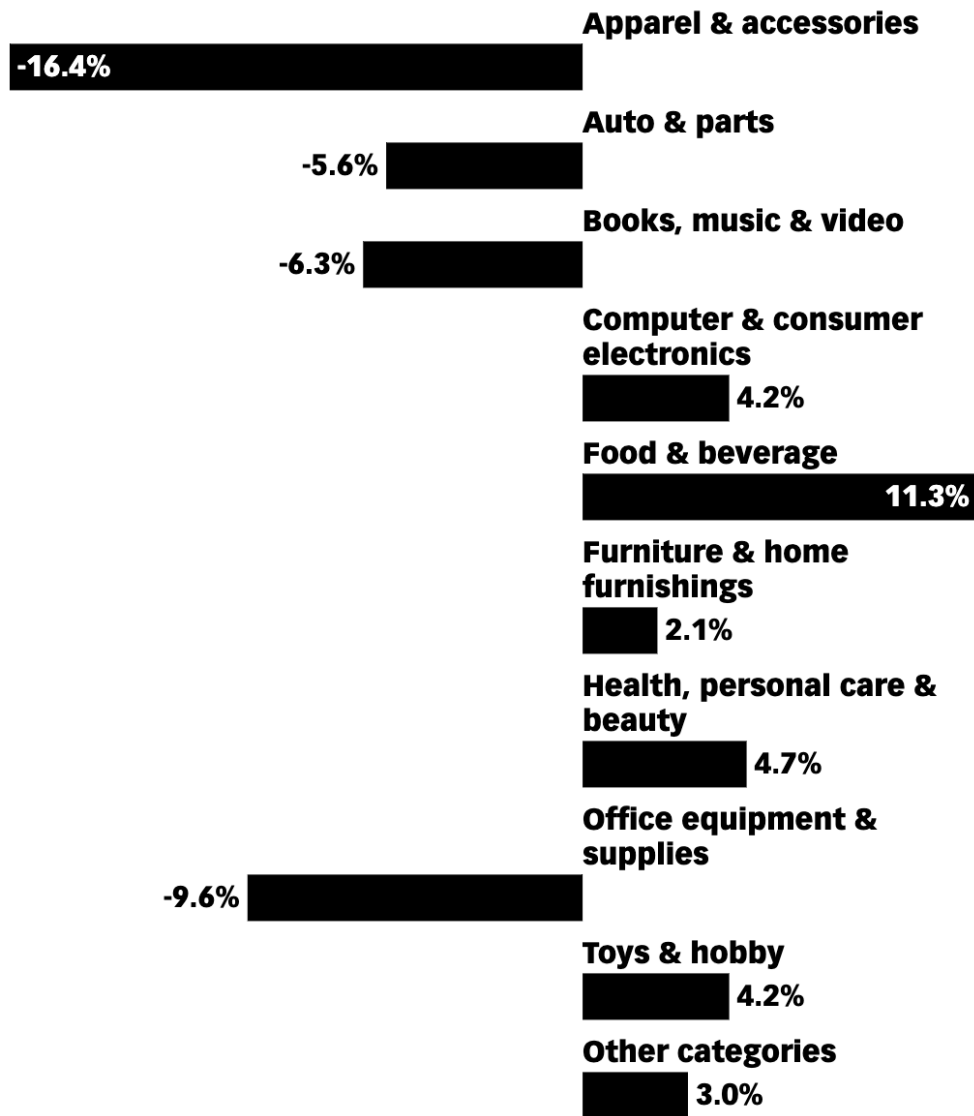
Rimma Kats

Early in the pandemic, most consumers went through a panic-buying period—stocking up on essential goods like toilet paper—when uncertainty over lockdown restrictions loomed.

As more areas have eased restrictions and the hoarding mentality has subsided, certain categories are bouncing back, including toys and hobby, furniture and home goods, and consumer electronics. And as such, we have revised our US retail sales growth estimates. We now expect approximately 2% to 4% growth among these categories—a significant change from our previous forecast in which declines were anticipated across the board.

Retail Sales Growth, by Product Category

US, 2020, % change



Source: eMarketer, September 2020

www.eMarketer.com

The consumer electronics and toys and hobby categories, for example, will see a 4.2% increase, while furniture and home retail sales will rise 2.1%.

As many consumers continue to quarantine, they're investing time and money into making the most of being stuck at home. "On a monthly

basis, one can clearly see the quick rebound in certain categories starting in May, which coincided with the coronavirus relief bill," said Cindy Liu, eMarketer senior forecasting analyst at Insider Intelligence.

"Throughout the pandemic, we have seen a rise in 'homebody' goods with consumers staying at home," she said. "Categories like at-home fitness, computers and gaming systems, home goods, and DIY home improvement are benefiting from this trend."

This falls in line with similar data from other sources. A survey conducted on March 18 by the [American Association of Advertising Agencies \(4A's\)](#) asked US internet users ages 18 and older about the products they intended to purchase in the next month due to the pandemic. While most said food (84%) and household supplies (72%), **entertainment was a clear secondary need**: Roughly one-quarter of respondents intended to purchase toys or arts and crafts supplies. On a more adult-oriented DIY front, 17% said they planned to buy home renovation supplies.

Data from [GlobalWebIndex](#), which was gathered around the same time, showed that 32% of US internet users ages 16 to 64 would be spending more time on hobbies and pastimes because of the pandemic.

"One of the pandemic's most surprising outcomes has been the resilience of the consumer economy," Liu said. "We've seen certain categories bounce back much more quickly than previously anticipated."

"For discretionary categories like toys, furniture, and electronics to achieve any type of growth amid these recessionary headwinds is an enormous feat," she said.