

# How Has the Pandemic Affected Our Brick-and-Mortar Holiday Forecast?

Ecommerce will see gains, but brick-and-mortar retail will decline

**ARTICLE** |

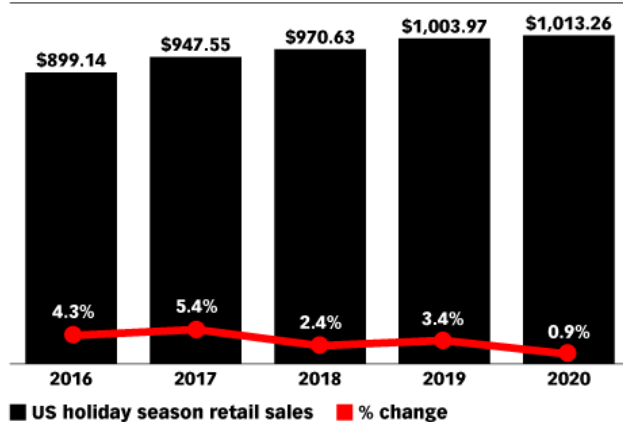
**eMarketer Editors**

**D**espite what should be historic headwinds, we are projecting marginally positive holiday season growth rates this year amid unprecedented channel-shifting behavior. In short, ecommerce's impressive showing in 2020 will make up for a sizable deficit at brick-and-mortar retail.

We anticipate that total US retail sales for the November–December holiday period will reach \$1.013 trillion, up 0.9% from last year and the second-ever season to eclipse the \$1 trillion mark.

## US Holiday Season Retail Sales, 2016-2020

billions and % change



■ US holiday season retail sales ■ % change

Note: excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, and gambling and other vice goods sales; sales are for Nov and Dec of each year  
Source: eMarketer, Sep 2020

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“This growth rate is the lowest since 2008, when the holiday season was in the throes of the financial crisis,” said Andrew Lipsman, eMarketer principal analyst at Insider Intelligence and author of our recent report “[Holiday Shopping 2020](#).”

“Nevertheless, it’s a positive story to achieve growth at all, given the current economic backdrop,” he said.

But the diverging storylines between retail channels couldn’t be more stark. Brick-and-mortar sales—which will account for 81.2% of total US holiday retail—are expected to decline 4.7% this holiday season, while ecommerce will jump 35.8%.

There is a silver lining in these otherwise tepid numbers for brick-and-mortar retail. Despite the channel’s expected drop, results could be much worse. Data from Placer.ai, a location analytics firm, indicates that retail foot traffic has been in double-digit negative territory every month since the beginning of the pandemic. Even as foot traffic has rebounded in recent months—in September, weekly retail foot traffic varied between declines of 13% and 17%—foot traffic fell well below the 4.7% holiday sales decline we expect. The reason? Average basket sizes are increasing to make up for it.

But brick-and-mortar’s resilience extends only so far, and it’s clear that the so-called “retail apocalypse” will rear its ugly head. Already, retail

store closures are on record pace this year, with Coresight Research reporting 7,990 closings versus just 3,354 openings through September 18, 2020. Those shuttering the most stores include mid-tier mall retailers like Ascena Retail and Victoria's Secret, while those opening stores are predominantly discount retailers like Dollar General and Dollar Tree.

The holiday season may be a last gasp for several more brick-and-mortar retailers that will face bankruptcy and/or additional store closings in 2021.

To learn more trends for the 2020 holiday season, and our forecast for US retail, ecommerce, and mcommerce amid the pandemic, eMarketer PRO subscribers read our recent report:

**Report** by Andrew Lipsman Oct 22, 2020

## Holiday Shopping 2020

**HOLIDAY  
SHOPPING  
2020**

Unprecedented Holiday  
Ecommerce Gains Will Make Up  
for Brick-and-Mortar Shortfall

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