

# How Essential Goods Have Shaped Retail Strategies

17th Nov, 2020

BY DATAWEAVE

The rapid evolution in essential goods is rattling retail. That's because the COVID-19 pandemic has dramatically changed shopping habits and retail necessities, leading to unpredictable shifts in demand.

Most notably, U.S. e-commerce has surged by an astonishing 45% year-over-year, as the pandemic accelerated online shopping by five years.<sup>[1]</sup> Since more consumers now work and learn from home, many pandemic-inspired habits will likely shape retail for years to come.<sup>[2]</sup>

Now that the risk of the second wave lies ahead, it's the ideal time for retailers to review pandemic bestsellers and patterns to adapt to shifts in shopping behavior.

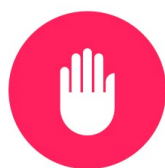




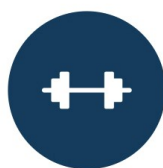
## COVID-19 Bestsellers



**Toilet  
Paper**



**Disposable  
Gloves**



**Fitness  
Equipment**



**Hand  
Sanitizer**



**Yeast**



**Puzzles**

## Pandemic's bestsellers shape retail strategies

2020's unexpected consumption patterns give retailers a glimpse of how they can adapt and thrive. The best-selling essential goods during the pandemic have included:

- Toilet paper: +734% year-over-year (YoY) growth in March<sup>[3]</sup>
- Disposable gloves: +670% in March<sup>[4]</sup>
- Fitness equipment: + 535% YoY in online sales for February to March<sup>[5]</sup>
- Hand sanitizer: +470% YoY for the week ending March 7<sup>[6]</sup>
- Yeast: +410% YoY for the four weeks ending April 11<sup>[7]</sup>
- Puzzles: +370% YoY in the last two weeks of March
- Pyjamas: + 143% in online sales between March and April<sup>[8]</sup>

As such, retailers can ensure their assortments contain these types of popular cross-category items, which reflect overall themes of consumers' needs for self-sufficiency, wellness and comfort.

E-grocery is also soaring, as experts predict a 40% rise in U.S. online grocery sales in 2020 due to the pandemic.<sup>[9]</sup> Top categories bought by online grocery shoppers include:

- Packaged non-fresh food (69%)
- Toiletries, personal care and diapers (63%)
- Household cleaning and paper products (61%)<sup>[10]</sup>

In response to these trends, retailers can prioritize shelf-stable center store products and non-food consumer goods throughout the pandemic.

## How retailers boost agility, clarity and sales amid COVID-19 chaos

Consumer panic led to pricing volatility for hard-to-find items like hand sanitizer, disinfectant wipes and masks.<sup>[11]</sup> To keep up with competitors' online price fluctuations, more retailers use competitive analytics to adapt their own prices accordingly. Notably, McKinsey & Company cites data insights and price sensitivity as the top two disruptive trends the pandemic has turbocharged.<sup>[12]</sup>

In March, shortages of toilet paper and flour led consumers to react with panic and hoarding that created urgent supply chain issues. To avoid out-of-stock items, more retailers now turn to data insights to identify potential disruptions. Up-to-date insights help retailers spot emerging market trends and adapt their assortment to stock in-demand items.

Now that more consumers shop online, retailers are investing in digital promotions to boost sales. Data analytics help retailers quickly evaluate the effectiveness of their promotions, which can inspire consumers to fill their baskets. Nimbly adapting to competitors' promotions is essential, as McKinsey cites rising competition for deals among the pandemic's most disruptive retail trends.<sup>[13]</sup>

**Avoid empty shelves:** The pandemic has motivated more retailers to rely on data insights to make fast, effective pricing and assortment decisions.

As consumption habits evolve, high-level dashboards help retailers quickly spot inventory shortages to prevent out-of-stocks.

To make their retail strategies pandemic-proof, leading retailers are collaborating with DataWeave to access accurate, actionable insights that boost online agility and sales. Applying DataWeave's trusted data gives retailers clarity amid today's chaotic market and shifting demand for essential goods, so they can make effective decisions fast. Insights also help retailers enhance the customer experience by supporting in-stock product assortments, competitive pricing and effective promotions that boost sales, trust and loyalty. To see how DataWeave helps retailers stay agile and competitive, visit [dataweave.com](https://dataweave.com).

<sup>[1]</sup> Perez, Sarah. COVID-19 pandemic accelerated shift to e-commerce by 5 years, new report says. TechCrunch. August 24, 2020.

<sup>[2]</sup> Gottlieb, David. 5 Strategic Imperatives for Retail's New Normal. Total Retail. August 18, 2020.

<sup>[3]</sup> Weiczner, Jen. The case of the missing toilet paper: How the coronavirus exposed U.S. supply chain flaws. Fortune. May 18, 2020.

<sup>[4]</sup> Clement, J. COVID-19 impact on fastest growing e-commerce categories in the U.S. 2020. Statista. June 19, 2020.

[5] Gibson, Kate. Coronavirus inspires fitness buying binge that tops New Year's. CBS News. April 1, 2020.

[6] Chasark, Krisann. Coronavirus impact: Hair dye becoming next high-demand item amid COVID-19 pandemic. ABC News. April 11, 2020.

[7] Guynn, Jessica and Kelly Tyko. Dry yeast flew off shelves during coronavirus pantry stocking. Here's when you can buy it again. USA Today. April 23, 2020

[8] Thomas, Lauren. Comfort is en vogue during coronavirus: PJ sales surge 143%, pants sales fall 13%. CNBC. May 12, 2020.

[9] Redman, Russell. Online grocery sales to grow 40% in 2020. Supermarket News. May 11, 2020.

[10] Redman, Russell. Online grocery sales to grow 40% in 2020. Supermarket News. May 11, 2020.

[11] Levenson, Michael. Price Gouging Complaints Surge Amid Coronavirus Pandemic. The New York Times. March 27, 2020.

[12] Kopka, Udo, Eldon Little, Jessica Moulton, René Schmutzler, and Patrick Simon. What got us here won't get us there: A new model for the consumer goods industry. McKinsey & Company. July 30, 2020.

[13] Kopka, Udo, Eldon Little, Jessica Moulton, René Schmutzler, and Patrick Simon. What got us here won't get us there: A new model for the consumer goods industry. McKinsey & Company. July 30, 2020.

#### - **DataWeave Marketing**

17th Nov, 2020

E COMMERCE

PRODUCT ASSORTMENT

RETAIL