
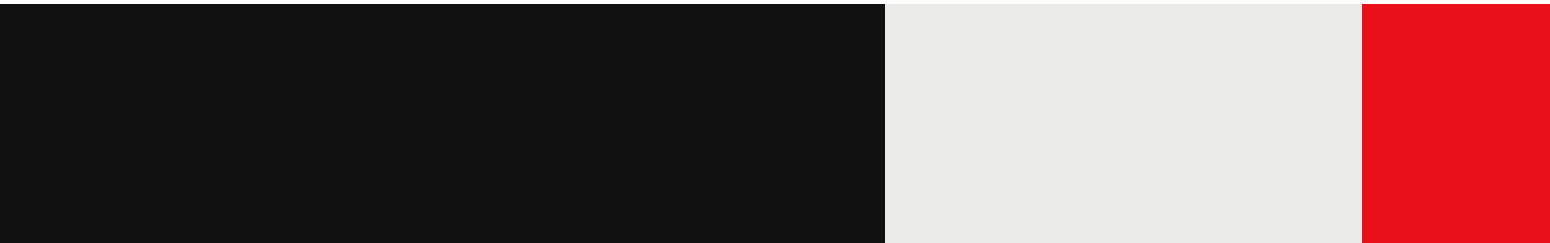


# Category winners and losers in 2023

## Article



**The overview:** Many of the trends present during 2022 will continue into 2023 as economic uncertainty weighs on consumers' purchasing decisions, and inflation continues to make its presence known.



**The winners:** As in 2022, the biggest category winners will be must-haves like groceries and pet products. Meanwhile, consumers who can afford it will continue to splurge on items ranging from fragrances to makeup to designer handbags, as well as on travel and dining out.

- Luxury sales will rise between 3% and 8% next year, per a report by Bain and Altagamma, driven by strong spending from millennials and Gen Zs.
- Grocery dollar sales will rise as a function of inflationary price increases, although many consumers will turn to private labels, discount grocers, and buy less overall to save money.
- Toy sales will continue to grow as retailers like **Macy's** and **Target** make the category a larger part of their assortment via shop-in-shop partnerships with **Toys R Us** and **FAO Schwarz**, respectively.
- **Delta** expects sales to grow by up to 20% in 2023 as travel demand stays strong despite economic pressures.

**The losers:** Categories that performed extremely well during the height of pandemic lockdowns—furniture, electronics, athleisure—will see their fortunes wane slightly in 2023 as consumers opt to spend on travel and formalwear over sweatpants and a new couch. Price considerations will also come into play, and categories that deal in big-ticket items will continue to lose out.

- RH warned in its Q3 earnings report that continuing weakness in the housing market would depress demand for home furnishings for at least the next several quarters.
- Demand for athleisure will continue to fall as the return to offices and in-person events call for more formal modes of clothing.
- Sales of plant-based meat products will stagnate—or perhaps even fall—as adoption plateaus and consumers decide against switching to a pricier protein in the face of double-digit grocery inflation.

**Go further:** For more 2023 predictions, check out our [Retail Trends to Watch](#) report.