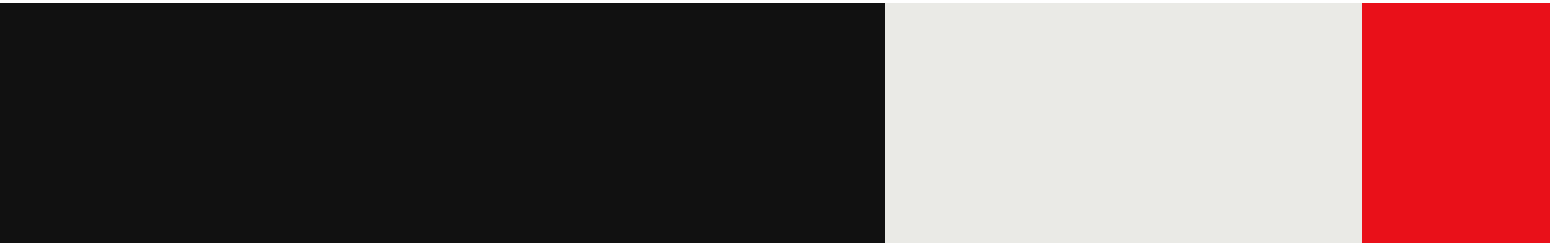



# Is Omnichannel Retail Brick-and-Mortar's Saving Grace?

Article



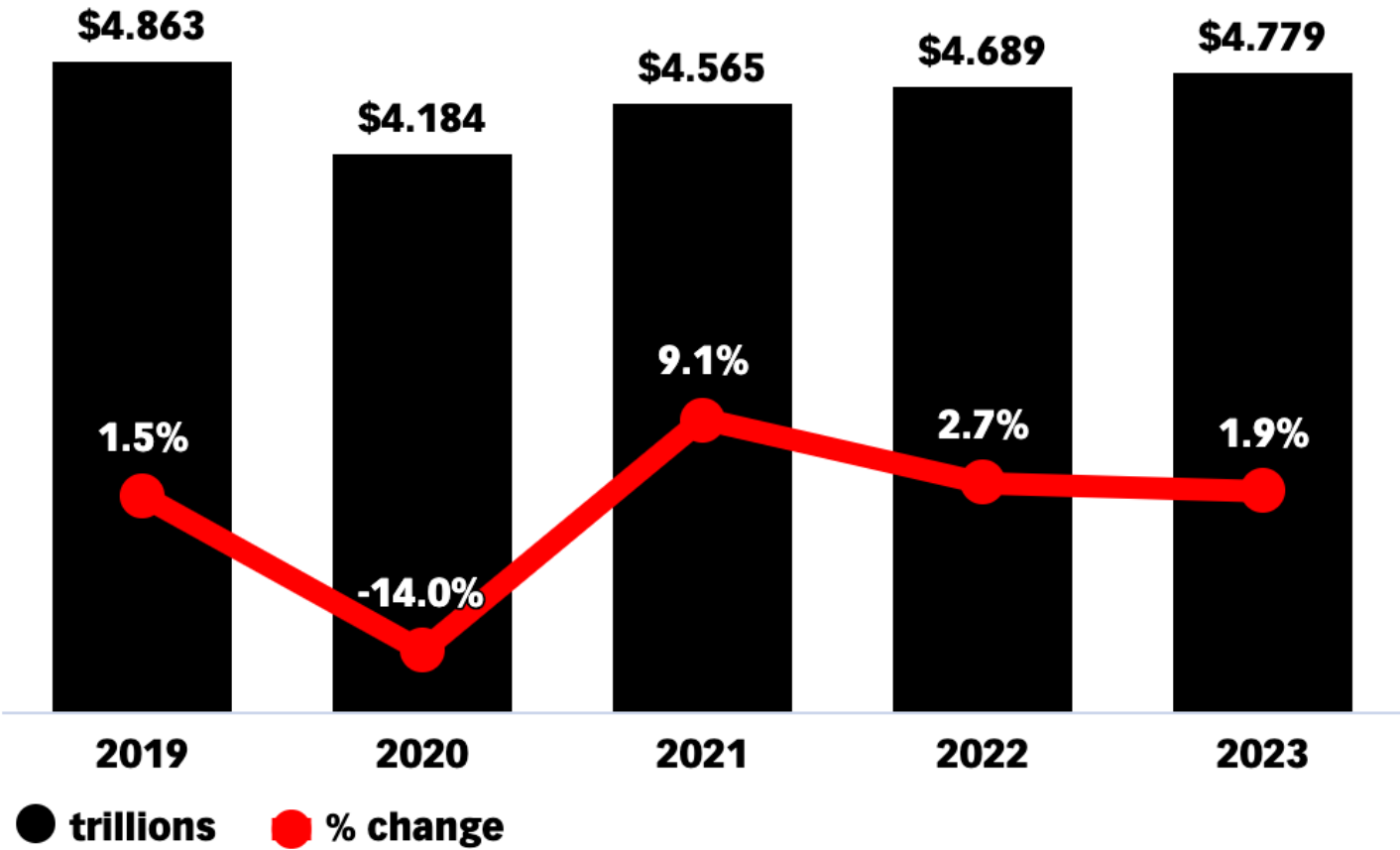
**I**t's long been understood that US retail is over-stored. At about 23.5 square feet per person, the US has more retail space per capita than any country worldwide, according to a 2018 analysis by Cowen and Company. For reference, No. 2 Canada has 16.8 square feet of retail space per capita.

Consequently, US retail has undergone substantial downsizing. Last year, more than 9,300 stores shuttered, according to December 2019 data from Coresight Research, an increase from the 5,844 stores that closed the previous year. As of March 2020, roughly **630,000 stores** temporarily closed to contain the spread of the coronavirus.

According to our latest estimates, US brick-and-mortar sales will decline 14.0% in 2020, equating to a loss of nearly \$680 billion from 2019. As a share of overall retail, this represents 85.5%, a loss of 3.5 percentage points from last year.

## Non-Ecommerce Retail Sales

US, 2019-2023



Source: eMarketer, May 2020

[www.eMarketer.com](http://www.eMarketer.com)

There is a growing divide between stronger and weaker retailers. Many weaker stores that were already challenged pre-pandemic will likely find themselves in even more distress. There is a **running list** of retailers that sought Chapter 11 protection, including JCPenney, Neiman Marcus and J.Crew, and more will likely follow.

But the more dominant players like Walmart, Target and Best Buy are only getting bigger. For one, some have remained open during the pandemic, which is no doubt a huge upside. Just as importantly, focusing on omnichannel and the seamless integration between online and offline has also helped them navigate the past few months. That's worked especially well with the recent acceleration in ecommerce as more consumers turn to online channels out of necessity.

Target and Walmart, for example, have touted using their stores to fulfill online orders amid the pandemic. Best Buy, which closed its stores to foot traffic, has reported very strong curbside pickup growth. While physical stores may be on the decline, they are still needed in the omnichannel world.