

Apparel retailers continue to get hit hard by the pandemic

Online sales will not make up for the losses at brick-and-mortar stores

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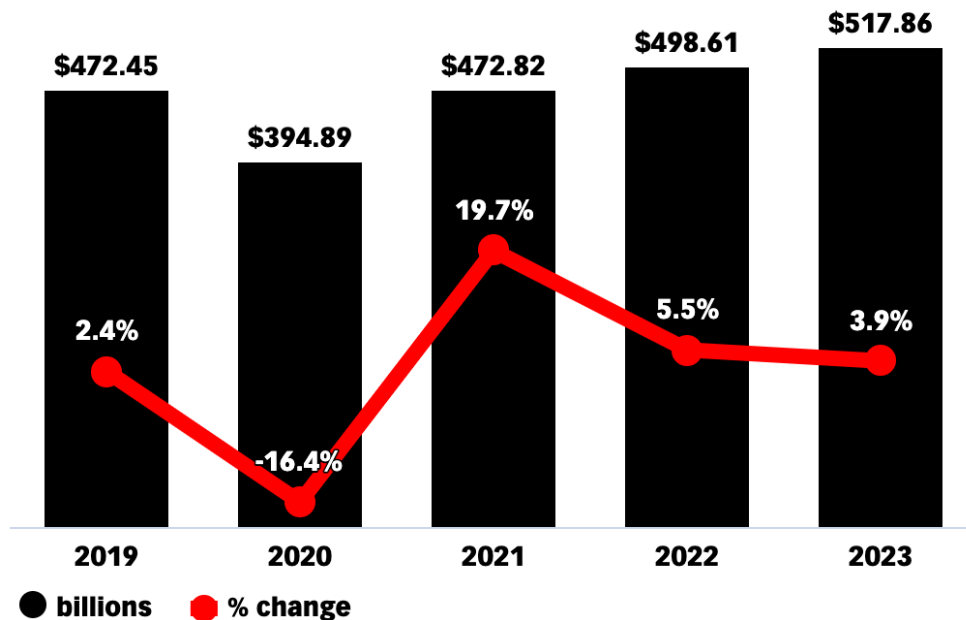
Rimma Kats

Clothing retailers are continuing to see steep declines in 2020, with sales well below 2019 levels.

This year, apparel and accessories retail sales in the US will fall by 16.4%, and the category will lose \$77.56 billion in sales, according to our estimates. That's the steepest decline across all the product categories we track.

Apparel & Accessories Retail Sales

US, 2019-2023



Source: eMarketer, September 2020

www.eMarketer.com

Data from the US Census Bureau showed that in March, spending at clothing retailers was down nearly 51% year over year. A month later, the decline was even steeper—clothing retailers saw their sales plummet by 86.4%.

Although there was a slight rebound starting in June, sales have begun to taper off again. “We expect a short-term disruption in apparel sales so long as consumers practice social distancing and stay at home,” said Cindy Liu, eMarketer senior forecasting analyst at Insider Intelligence. “With fewer occasions and gatherings this year, the need for a new wardrobe or outfit is completely gone.”

While certain categories—such as toys and hobby, consumer electronics, and home furnishings—will see ecommerce spending make up for lost in-store sales, apparel will not be among them. Apparel and accessories ecommerce sales will be the slowest-

growing category this year at 22.2%. That's significant when compared with the 32.4% growth of retail ecommerce overall.

This year has certainly been tough for apparel and accessories retailers, but we do expect the category to see some recovery next year. Apparel and accessories sales will rebound to pre-pandemic levels, particularly as consumers return to buying new clothes for special occasions, including events that may have previously been canceled or postponed to 2021.