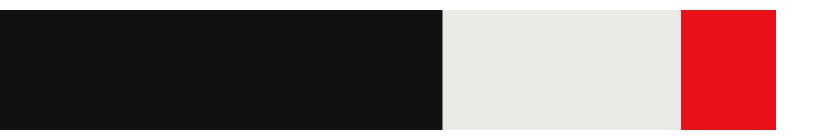
The return of the office

Article

INSIDER

INTELLIGENCE





Don't call it a comeback: Foot traffic to office buildings has been slowly increasing, according to Placer.ai.

- While January saw its biggest dip in foot traffic since 2019 (a 56.1% decrease), the gap is getting smaller, with August levels at 38.7% below 2019.
- When compared with last year, May and June saw the largest increases of workers returning to the office (up 36.9% and 25.2% year over year, respectively).
- That dropped in July to just 9.4%, but visits were back up in August, signaling forward momentum.

Dress for the part: As consumers continue to navigate hybrid work, there may be less of a distinction between what they wear at home versus in the office.

- "There's a blurring of the lines between work and social outings," Sara Tam, chief merchant
 officer of Rent the Runway, told Bloomberg, noting that women are opting for clothes that
 are more bright and colorful that they can wear in and out of the office.
- Data from The NPD Group backs up this shift to more casual work attire. Sales of dresses have grown 27% since last year, but most consumers are gravitating toward less formal and restrictive silhouettes like sundresses and T-shirt dresses.

Food for thought: About 49 million employees were working from home as of July 2022, an increase of 11 million compared to June, per The NPD Group. In the fight for the food dollar, at-home retail sales has the majority stake at 62.5%, while foodservice earns 37.5% of the spend.

- To keep costs down, many consumers swapped eating out for at-home food, leading to a 3% decrease in foodservice traffic in July. As prices ease and more consumers go back to the office, they may splurge for the convenience of restaurant food.
- Corporate foodservice will also see a boost from a return to in-person work. Year-over-year case sales from distributors to corporate foodservice operators increased 35% in the second quarter, though they still remain 31% below pre-pandemic levels.

Setting the pace: As they attempt to navigate the new normal, many companies may look to industry leaders for answers. But they may not find that one size fits all.

- Last week, CNBC reported that Amazon CEO Andy Jassy had no plans to make employees return, though he did admit there are some things that are more difficult while working from home.
- In April, Google began requiring most employees to be in the office at least three days a week, and has had a steady flow of COVID-19 outbreaks, according to CNBC.
- Nearly 1,300 New York Times employees are boycotting the company's back-to-the-office policy by staying home this week, per The Observer.

Outlook unclear: Consumer behaviors shaped during the pandemic are still driving purchase decisions—for now. But as more employees dip their toes back into in-person work, old habits may resurface, which would be a boon to both foodservice and retail.





This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, subscribe here.



