

# June retail sales underscore the importance of retail technology innovations

Article

**By the numbers:** June retail and food services sales climbed **18%** year over year (YoY) and grew **0.6%** compared with May, [according to](#) the latest data from the US Census Bureau.

Compared with June 2019, sales increased roughly **19.5%**—reflecting strong pandemic recovery.

The **rising number** of COVID-19 vaccinations in the US underpinned last month's sales growth, which exceeded economists' expectations: Economics polled by Reuters **expected** June retail sales to **drop 0.4%** on a month-to-month basis as a result of rising inflation, the threat of COVID-19 variants, and **uneven** state and local reopenings.

**Here's what merchants are doing:** As consumers regain spending appetite, merchants are employing digital solutions that enhance the in-store shopping experience and maximize sales potential.

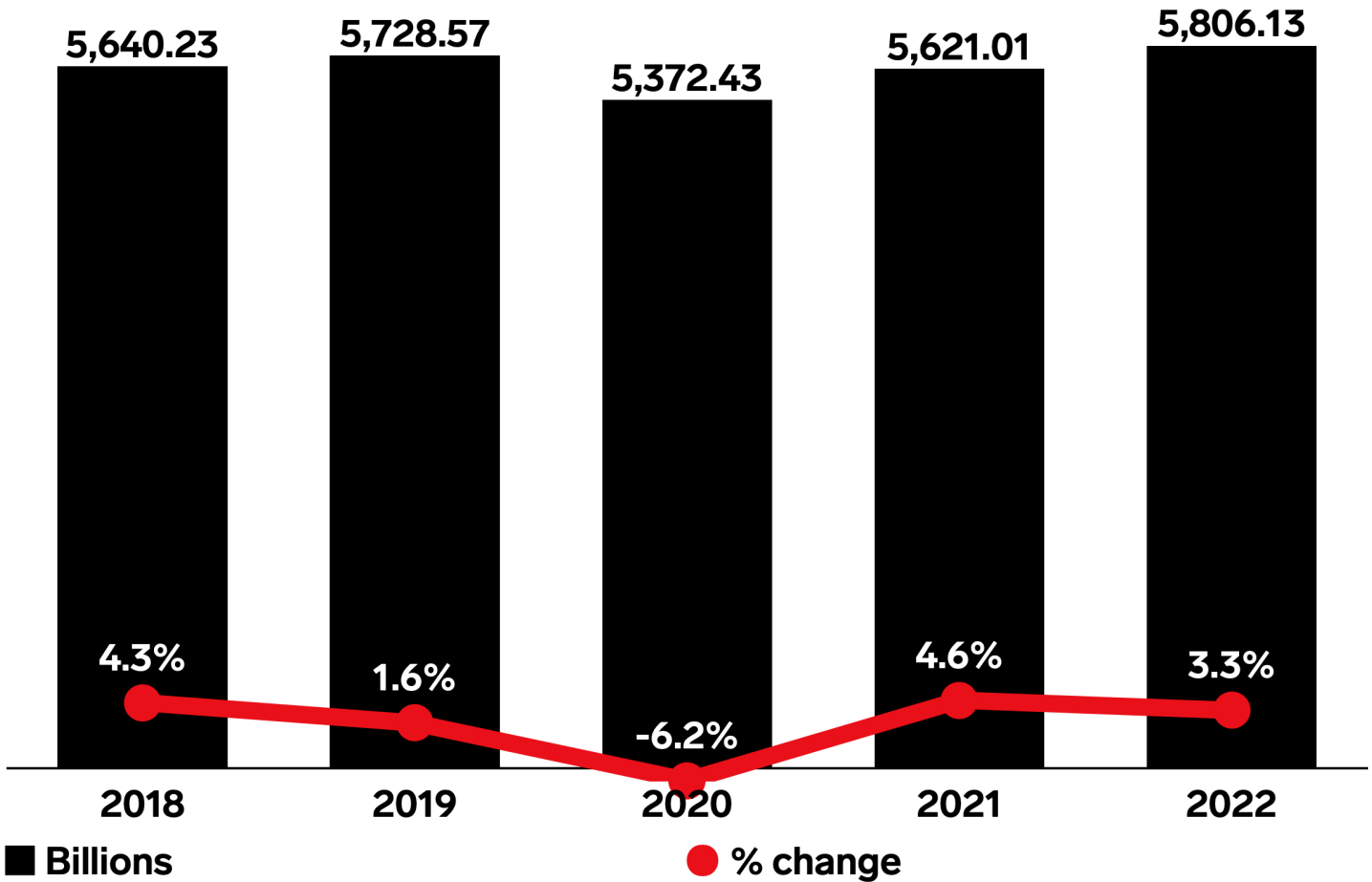
- **Adopting omnichannel strategies:** Sam's Club is **piloting** Scan & Ship, a feature that lets customers purchase items in-store that they can have shipped to their homes—adding more convenience to the in-store shopping experience and giving Sam's Club an edge against competitors like **Costco**. And **7-Eleven** recently **brought** its mobile checkout solution to more than **2,500** US stores; the offering saves customers time at checkout by letting them pay through the 7-Eleven app instead.
- **Improving in-store technologies:** In a Plano, Texas pilot, Walmart is doing away with in-person checkout and instead **rolled out** a self-checkout-only store. This should help eliminate lines and let employees focus on other store functions, like stock management. And earlier in the year, **Kroger** started **piloting** **Caper** smart carts, which automatically sum up purchases and apply discounts—giving consumers a more tech-driven experience in-store.

**What's next?** Consumer spending will likely continue its upward trajectory—here's our take:

- **Back-to-school spending will elevate sales in the short term:** After more than a year of remote learning, many students will return to school this fall—and retailers can expect a boom in volume as consumers shop for school supplies and clothing in the coming weeks and months: US retail back-to-school sales are expected to reenter positive growth this year, hitting **\$95.83 billion**, **per** eMarketer forecasts from Insider intelligence. Digital solutions that provide the same ease of use and customer experiences that consumers get through ecommerce can help retailers improve the in-store shopping experience this fall.
- **Spending on services should carry long-term sales growth:** Deloitte **projects** US spending on services—including dining, traveling, and entertainment—will rise **6.2%** YoY after contracting **3.9%** last year. Food and beverage merchants, as well as those operating in tourism and hospitality, could benefit from digital solutions that speed up the ordering and

payments process for customers, sustaining sales growth through the end of the year and beyond—if pandemic conditions don't backslide. Issuers would also benefit from services sales growth, since many of them rely heavily on travel and entertainment spending.

# In-Store Retail & Food Services Transaction Value US, 2018–2022



*Note: Point-of-sale (POS) transactions made in-store; includes food services and drinking places sales; includes sales taxes; excludes products or services ordered using the internet; excludes travel and event tickets, payments (such as bill pay or money transfers), mail orders, and gambling and other vice good sales. eMarketer benchmarks its retail sales figures against US Department of Commerce data, for which the last full year measured was 2019.*

*Source: eMarketer, December 2020*

*Methodology: Estimates are based on the analysis of data from the US Department of Commerce and the Federal Reserve, estimates from other research firms, reported company revenues, historical trends, consumer buying trends, and macro-level economic conditions.*

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