
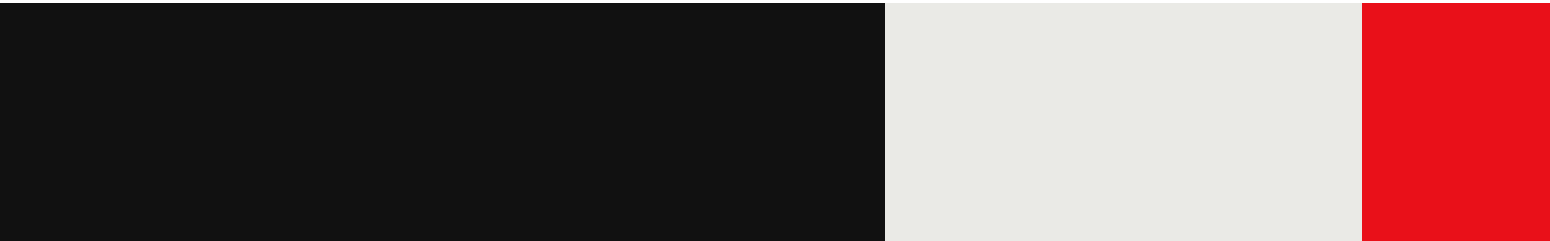


Category winners and losers in 2023

Article



The trend: While consumer spending remained solid throughout 2023, the combination of elevated prices and high interest rates drove shoppers to adjust how they allocated their budgets.



The winners: Consumers opened their wallets to spend on so-called “revenge travel” and other experiences throughout 2023. That drove up spending on services and in categories that are adjacent to travel and dining out, such as apparel and health and personal care.

- **Travel:** The [surge in revenge travel](#) that began in 2022 as vacation-starved consumers sought to make up for lost time continued throughout 2023—[particularly among the affluent](#). **US digital travel sales spiked 20.0%**, per [our forecast](#), thanks in part to the number of US consumers taking [trips to Europe](#) jumping 55% year-over-year (YoY) over the summer, per Allianz Partners.
- **Health & personal care and apparel & accessories:** Both categories saw solid gains with consumers spending heavily on new clothes and cosmetics as they returned to their offices, ventured out on trips, and engaged in other experiences such as dining out. That helped the health and personal care category's sales rise an estimated 9.1% and apparel and accessories grow 5.6%.

The losers: On the other end of the spectrum, many of the big-ticket categories that saw sales soar early in the pandemic struggled as consumers pulled back on discretionary purchases.

- **Home-related categories:** High interest rates and a severely constrained housing supply created an environment in which the housing market was stuck in neutral all year. With few people moving, and few people embarking on renovations (due to elevated interest rates), several home-related categories—including [furniture](#), and [home furnishings](#)—have been feeling the direct impact of the situation, as have manufacturers of home-related products such as house paint and appliances.
- **Computer and consumer electronics.** Items such as TVs and computers are discretionary, cyclical purchases, which helps explain why demand has been weak after sales soared in 2020 and 2021.

The big takeaway: The current winners may see demand slow as spending on travel and entertainment return to more historical norms.

- But the losers will likely continue to face tough conditions well into 2024.

Retail Sales Growth, by Product Category

US, 2023, % change

Health & personal care

9.1%

Apparel & accessories

5.6%

Office equipment & supplies

5.2%

Food & beverage

4.9%

Auto & parts

4.1%

Book, music & video

3.4%

Toy & hobby

3.0%

Computer & consumer electronics

2.0%

Furniture & home furnishings

1.7%

Other categories

-1.8%

Note: excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: Insider Intelligence | eMarketer, November 2023

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