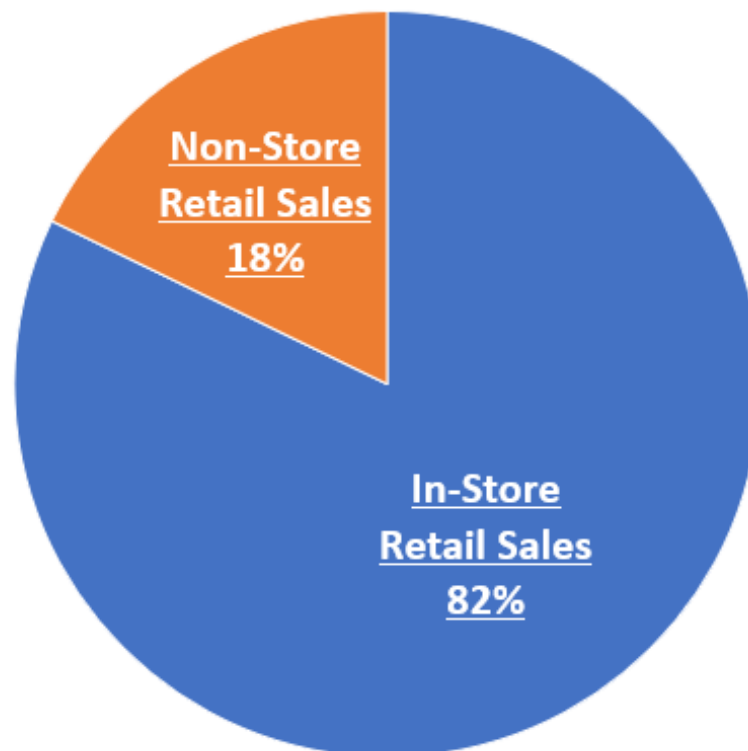


Pandemic Has Accelerated Trend Towards Online Sales

The COVID-19 pandemic will change norms and behavior in many ways. One of the earliest shifts was in the way Americans shop, with many people switching to buying products online instead of in stores. That change has been underway for many years, but the pandemic undoubtedly accelerated the decades-long trend.

Retail sales at traditional brick-and-mortar stores still vastly outpace non-store sales. In May, they accounted for 82% of all sales even in the midst of the pandemic. Online sales accounted for the remaining 18%.

In-Store Retail Stores Still Make Up Vast Majority of Retail Sales - May 2020



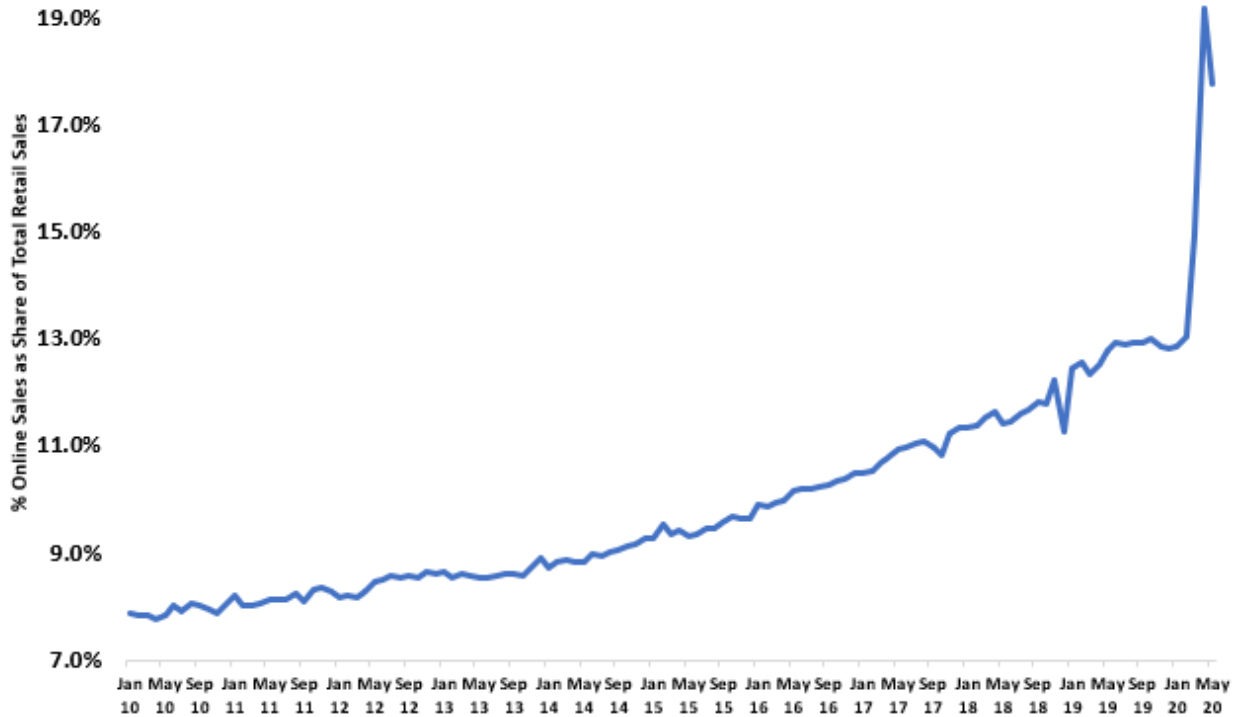
However, online sales were just 13% in February. Americans' shopping habits are slow to change. A jump of 5 percentage points in 3 months is a watershed shift.

Online sales' 13% share of total sales in February was the record high up to that point. Online sales have been growing slowly but steadily since Internet use became widespread. In January of 2010, online sales were 8% of all retail. So they had grown 5 percentage points over more than a decade. That works out to half-a-percentage-point per year of growth.

In April, they spiked to more than 19% of all sales. In two months of the pandemic, online sales increased more than 6 percentage points as a share of retail sales, or more than they had in the previous decade.

May saw a pullback to that 18%, but online sales are still claiming a much larger share than they did before COVID-19 struck.

Online Sales' Share of Total Retail Spiked During the Pandemic



The shift back to shopping in stores will likely continue over the next few months as the Great Pause eases more and people seek a return to normalcy. However, it is likely that the pandemic has permanently increased the share of online buying. Businesses will need to adjust to this change.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce