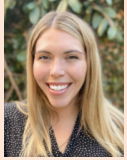


REVENGE SHOPPING IS HERE



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Revenge Shopping is in full swing. This term was first coined in China after the lockdown was lifted. It references consumers rushing back to the retail marketplace to spend their savings and release their pent-up demand to spend money!!

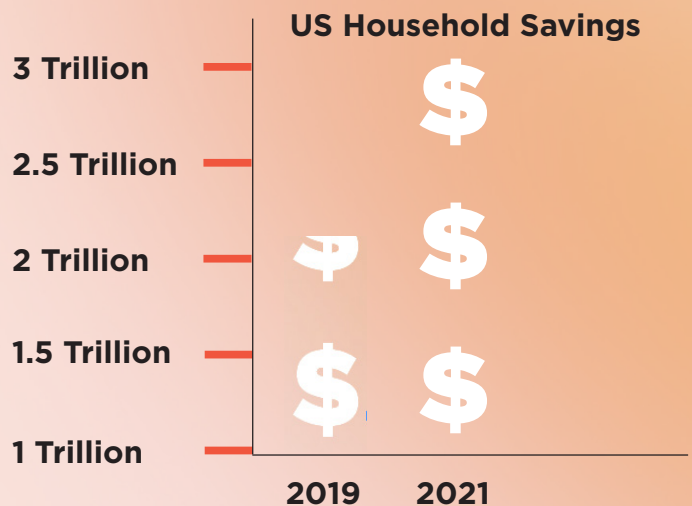
After waking from the pandemic, it seems society is now moving from a home-bound curfew state of mind to the party never ends mentality. People are aching to feel refreshed and energized. When we begin to emerge from our homes and re-engage with the new world, from more than our computer screens – what will we want to wear, how will we want to look? Making up for lost time and beginning to feel a sense of normalcy with an outlet that feels frivolous is a new goal. An easy way to achieve this is consumption.

We all have been embracing the fleeting need for elastic waists and stretchy fabrics, but now we are ready for something new to get back to work. The WFH (Work from Home) dress code is getting shoved to the back of the closet and in its place, a new wardrobe hangs. With a new wardrobe comes a need to show it off – finally a reason to go out for dinner!



The past year we've been overconsuming in every aspect of our lives. We have been overindulging on content from streaming platforms and social media, DIY baked banana bread, at home workouts and online purchases. Whatever consumers were feeling they missed out on this past year, they now need to make up for lost time... that means splurging on travel, clothing, and dining experiences.

A 2021 report by the global management consulting firm McKinsey & Co. said "US household savings doubled to \$3 trillion up from \$1.5 trillion in 2019." Those savings have been burning a hole in consumer pockets and they are spending like never before.



Luxury brands have become a hot commodity, with a Hermès store in China reporting \$2.7M in sales the day that lockdown was lifted according to Women's Wear Daily. French Luxury Group Kering reported that sales are up 46% in North America across its brands. Hermès also reported that its sales are up in America by 23%. This trend of eager shopping has spread worldwide.

The National Retail Federation predicts that retail sales will grow between 6.5% and 8.2% in 2021, the fastest growth since 2004.

With the holidays on the horizon, consumers are set to again increase their need to spend. Holiday shoppers plan to spend 25 percent more than they did last holiday season, with the average consumer planning to spend \$870 on holiday-related purchases.

THE AVERAGE CONSUMER PLANS ON SPENDING \$870 THIS HOLIDAY SEASON, ACCORDING TO JLL

This demand for holiday gifts may leave consumers disappointed if they don't plan early. A laundry list of problems are looming on retailers right now including labor shortages, lack of inventory due to a record of backups at U.S. ports, and the delay of raw materials that will cascade through supply chains and create shortages across product categories.

President Biden recently called for the Port of Los Angeles, to stay open round-the-clock to ease some kinks in the supply chain. On top of that, recent policy changes at the U.S. Postal Service will lengthen delivery times by 30%.

Consumers should plan to get their shopping done well ahead of the Black Friday/Cyber Monday window if they want gifts to arrive on time. Leaving a note for revenge shoppers – eat your heart out... and plan accordingly.

