



Succeeding in Crisis – 3 Sectors Bucking Coronavirus Concerns

By Ethan Chernofsky on March 19, 2020



The coronavirus is having a huge impact on the wider retail economy, and it is likely that this effect will only grow in magnitude as CDC recommendations become stricter. However, there are sectors that are still performing well amidst the pandemic and there are critical takeaways. And these lessons don't just apply in the face of a once-in-a-century virus, but also during more regular disruptions like inclement weather, economic downturns and more.

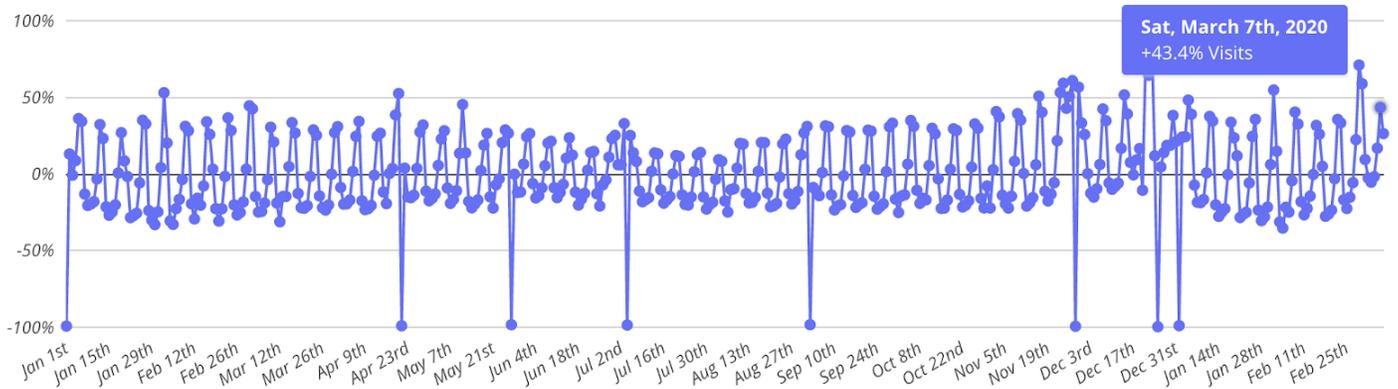
1. Wholesale Leaders



significantly in the last days of February. Impressively, that trend has continued into March.

Visits to Costco on the last Saturday and Sunday of February 2020 were 26.6% and 16.4% higher than the same days in 2019. But the bulk shipping didn't end there. Visits the first week of March were still showing impressive year-over-year growth with visit increases of 12.9% and 5.6% on the equivalent Saturday and Sunday in 2019.

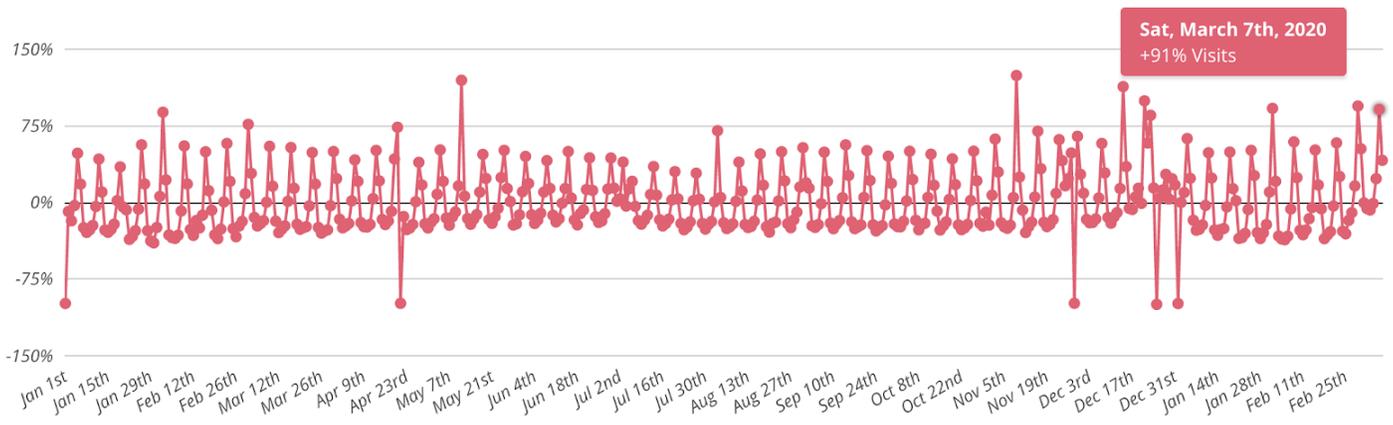
● Costco Wholesale (Nationwide)



Baseline change | Jan 1, 2019 - Mar 8, 2020
Data provided by Placer Labs Inc. (www.placer.ai)



The same was true for Sam's Club who saw massive year over year increases on the last weekend of February and the first of March. Visits on the last Saturday and Sunday of February 2020 were 17.9% and 24.1% higher than the equivalent days in 2019. Visits the first week of March were even better with year-over-year growth of 36.1% and 25.3% on the equivalent Saturday and Sunday in 2019.



Baseline change | Jan 1, 2019 - Mar 8, 2020
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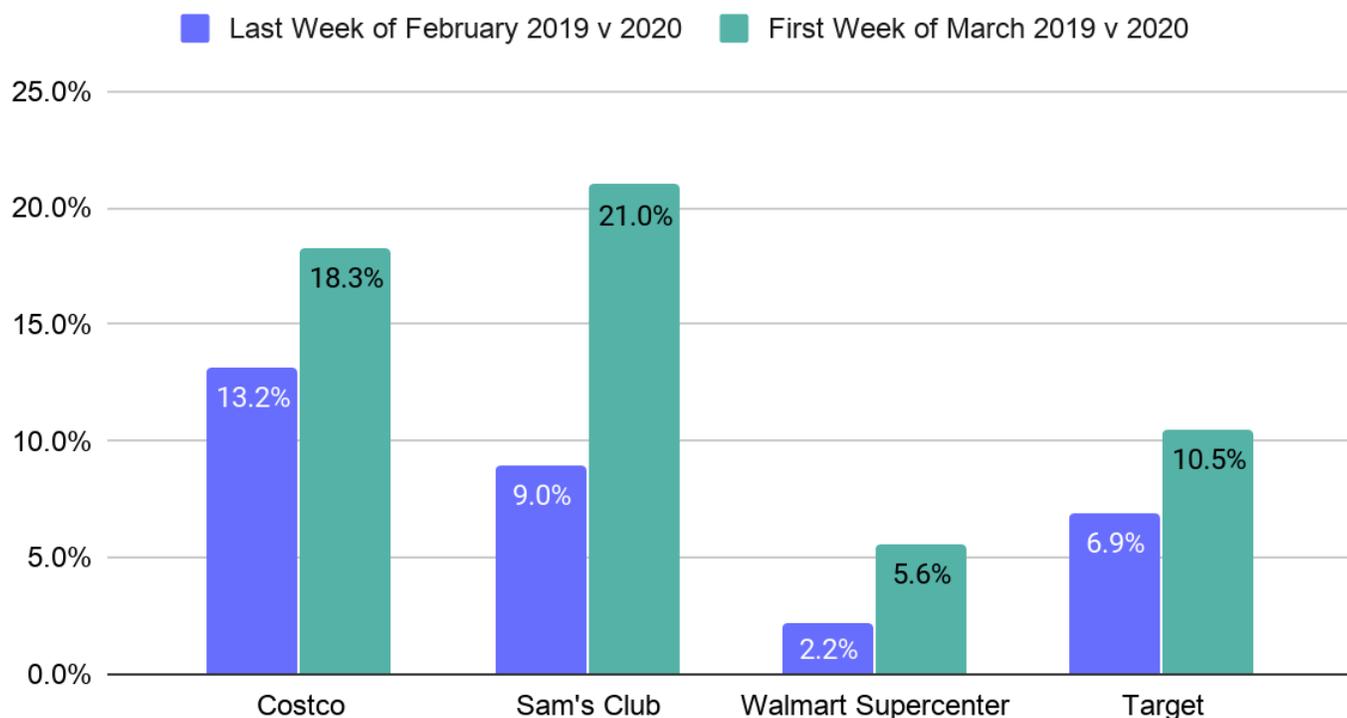


And there is clearly a logic explaining why. Wholesale shopping is [generally less frequent than normal supermarket trips](#), with shoppers stocking up for longer periods. In a time of ongoing focus on social distancing, wholesale shopping is uniquely aligned with that approach, allowing shoppers to accomplish more with less visits.

2. Big Box Giants

But the strength wasn't limited to wholesale. Target and Walmart both saw major visit increases in late February and early March likely a result of their wide range of products and strong brand affinity.

While not matching the massive year-over-year increases in wholesale, Walmart saw 2.2% increase in traffic the last week of February and a 5.6% increase in the first week of March year-over-year. Target also saw massive growth with increases of 6.9% and 10.5% year-over-year for the last week of February and the first week of March respectively.

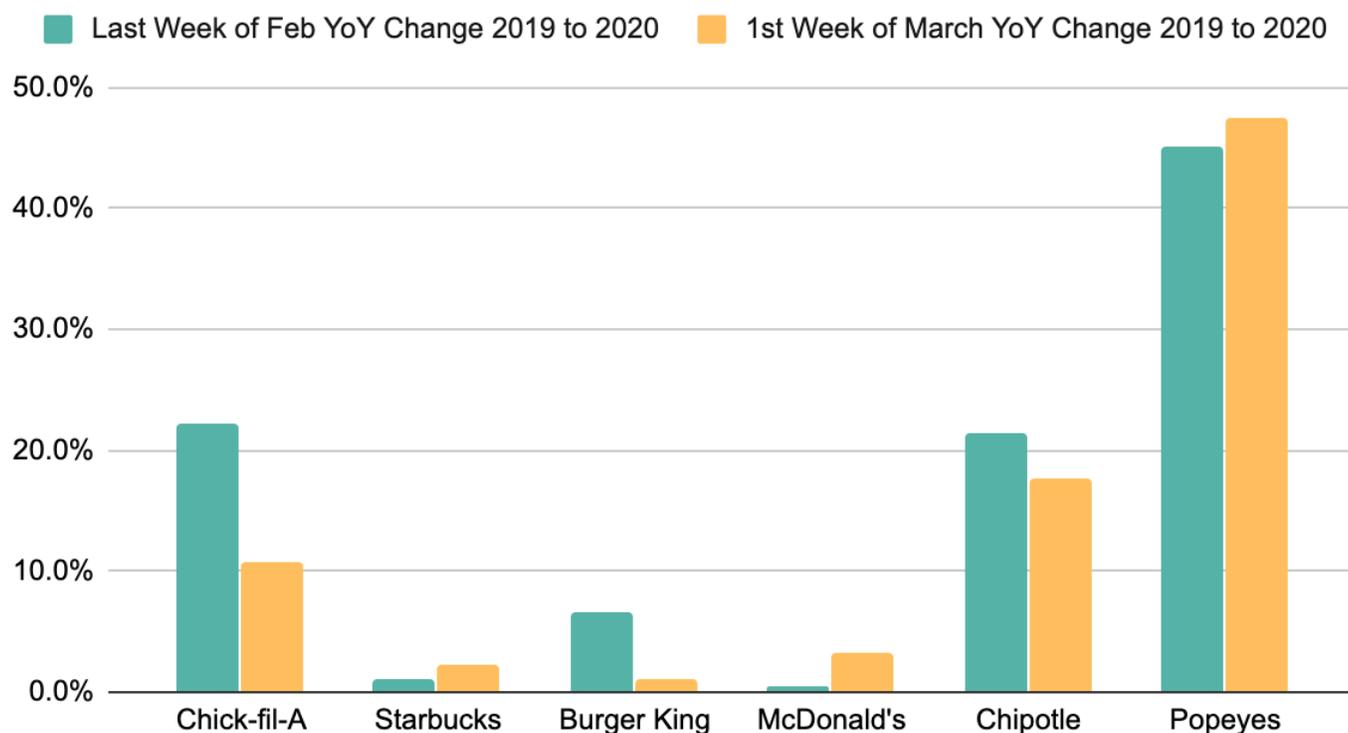


Similar to wholesale, the ability to get a wide range of items in one trip is potentially increasing the likelihood that a shopper will go to Target. Where one of the key trends of 2019 retail was a rise of brands pushing very specific and focused product lines, the coronavirus effect may be pushing more consumers to emphasize convenience and fewer trips on a shopping run.

3. QSR's Fast Food Kings

Yet, one sector that has little connection to stocking up and a far deeper relationship with quickly addressed cravings is the Fast Food industry. And, thus far, [the wider space is doing incredibly well](#).

We analyzed six top brands nationwide and found that all have seen year over year growth in visits. Popeyes led the way with its newfound, Chicken Sandwich driven popularity, with year-over-year growth of 45.1% and 47.5% on the last week of February and the first week of March respectively. Chick-fil-A continued to outperform its 2019 standard, but the consistency across the board was incredibly impressive.



For giant brands with massive retail footprints, this is all the more impressive. Starbucks and McDonald's locations, for example, have seen declines in areas with higher concern – like Washington state. This means that in areas with lesser worries, the limitations on travel and movement may actually be helping them grow.

Critically though, this data does not take into account delivery, which could provide another huge strength during a period likely to be marked by lockdowns and greater emphasis on social distancing.

Key Takeaway

Does this mean that these three sectors are going to have massive growth throughout the next few months? No. Social distancing and greater levels of restrictions will likely impact all groups, with QSR being the likeliest to take a hard hit.

Does it give a critical insight into the value of these brands, their staying power and unique impact during periods of crisis? Absolutely. Coronavirus maybe a once in a generation pandemic that drives a massive global impact. But it will not be the last crisis



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