

How Retailers Adapted to Work-From-Home Shift in 2020

December 29, 2020 5 min read

This story originally appeared on Cheddar

As Americans occupy their time at home, whether it's working, attending school, or simply lounging, the coronavirus pandemic has pushed many to create pockets of comfort in their favorite rooms. And while the retail industry certainly took a blow this year, and in many instances, continues to struggle, there are sectors that flourished over the course of the pandemic.

Loungewear and Athleisure:

Working from home has become a new norm and consequently, clothing stores are offering fewer workwear options. A study by retail data firm Edited released this summer showed that retailers offered 40 percent less women's workwear styles this year than in 2019 and 73 percent of items were ultimately offered at a sale price. Men's options were down 38 percent and 60 percent were offered at a discount, a significant jump over the 35 percent of items that went on sale last year.

As retailers braced for the impact of work-from-home by cutting back on their offerings, the impact from the drop in overall sales this year has not been as harsh.

With slacks and skirts pushed to the back of the closet, consumers are seeking out more comfortable options that offer professional and casual versatility, like blazers and polo shirts.

Department store JCPenney, which was approved to exit bankruptcy last month after being acquired by Simon Property and Brookfield Asset Management Inc, launched a new women's brand, Stylus, that champions comfort first. The rise in popularity of wearing comfortable clothing could not have come at a more perfect time for the company as the brand had already been in development prior to the onset of the pandemic.

In a statement to Cheddar, the company said in part, "We began developing the concept of our styleisure line, which is exclusive to JCPenny, nearly a year ago to fill this unmet need as customer dress for their day."

Earlier this year, athleisure giant Lululemon saw its stock hit record highs as demand for comfortable clothing soared, and in Q3, its sales exceeded \$1 billion, versus \$916 million at the same time last year.

For JCPenney, the consequences of a good holiday season after the launch of its new women's line could mean the emergence of similar brands. "In addition to New & Wow! brands during the holiday season, we are looking forward to an exciting 2021 with even more compelling merchandise for all our customers," Kristen Bennett, communications manager at JCPenney, told Cheddar. The department store's New & Wow category highlights the latest trending products ranging from toiletries to kitchenware.

Home Office

Wearing cozy clothing is only half the battle for those working and attending school from home. Creating new and comfortable spaces in which to work has also become a necessity. For office goods retailer Staples, sales across various categories, including desks, chairs, and white boards have taken off since the start of the pandemic.

“People have crafted home work spaces out of closets, kitchen tables, corners of their living room and basements and spare bedrooms. We’ve seen a real demand for items that make people feel inspired to be in their at-home work spaces as they make this transition,” Amy Lang, SVP of strategy and insight Staples, told Cheddar.

Creating your own workspace, according to Lang, is just as important as any other form of creative expression.

“The energy and investment people used to make in their work clothes and accessories is now focused on setting up their home office – it’s where they spend all their time, it’s the way they are able to represent themselves to their colleagues and express their personalities,”

At competitor Office Depot, it’s a similar story. Sales jumped 18 percent in Q3, however, the chain experienced a 9 percent drop in sales year-over-year. Earlier this year, Steve Schmidt, a former Office Depot executive, said the office supply industry was already on a 10 to 12-year decline.

Still, the company seems optimistic: it recently released the results of a survey it conducted in which 67 percent of participants said they were planning to upgrade their at home working quarters to continue remote work.

Tech and Gadgets

Conducting business from home would not be complete without some tech upgrades. At Best Buy, online sales skyrocketed by nearly 174 percent year-over-year to \$3.82 billion, and overall, the company raked in \$11.8 billion in Q3.

The company planned to continue to drive online sales by continuing to offer curbside pickup and expedited shipping during the holiday season.

Those sales weren’t just due to people upgrading their desk

chairs or grabbing second computer monitors for work; customers shopped for a wide range of items including kitchen appliances and laptops. The company, however, noted a decline in mobile phone sales.

With gadgets likely at the top of many wish lists this holiday season, electronics retailers are still looking to continue to meet customer's stay-at-home needs.

"Noise-canceling headphones are a great idea for the holiday season because they're dual purpose. They minimize distraction while working and learning – but they're also great for at-home entertainment," Staples' Lang said.

While companies may consider a return to offices with the successful administration of COVID-19 vaccines, interest in upgrading personal at-home spaces is likely to continue for the foreseeable future.

"The home office is a form of self-expression and people are investing there like never before," Lang noted.

<https://www.entrepreneur.com/article/362490>