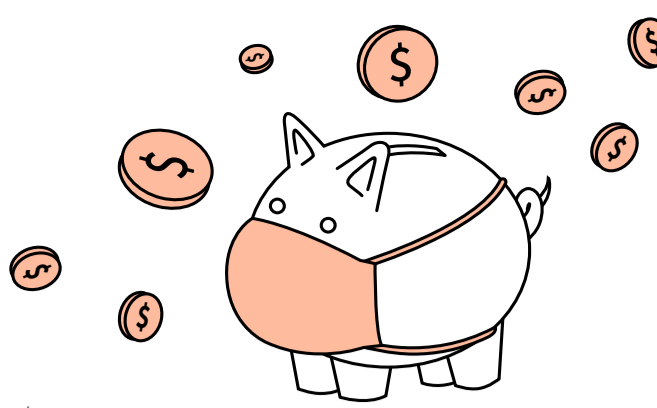


PANDEMIC SPENDING HABITS HERE TO STAY



The pandemic changed everything - almost. Companies shifted to remote working, travel and tourism slowed to a crawl, and people had to adjust to a new way of living, much of which was spent at home and in front of a computer.

These major adjustments also massively shifted spending habits. The pandemic contributed heavily to factors that upended traditional seasonal spending, creating a new set of winners and losers during the pandemic. Despite massive increases in unemployment and decreases in job creation, people still spent, spurred by a lack of vacation and travel spending while benefiting from numerous stimulus checks.

Not only did they spend, they spent on big-ticket luxury items. From exercise equipment to new wardrobes to home office tech to jewelry and handbags, stimulus and unemployment benefits ushered in a new kind of spending.

Here's a look at the most popular luxury items consumers splurged on throughout the pandemic and why we'll likely continue to see spending on these products in 2021 and beyond.

AT HOME FITNESS GEAR

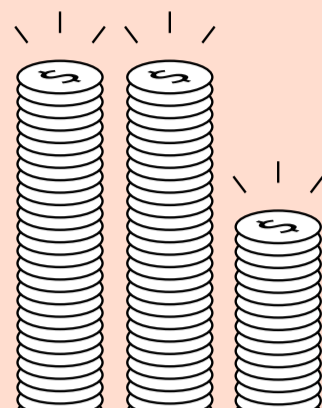


Exercise routines look a little different these days. Without access to gyms, consumers turned to Pelotons, treadmills, and other at-home equipment, sparking a work-out-from-home trend that's expected to last beyond the pandemic. Why pay for a costly membership when you can pay a fraction of the monthly price and still get the workout from the convenience of your own home? Even as gyms start opening up, the comfort of working out from home is still attractive to many.

Revenue from health and fitness equipment from Mar. to Oct 2020:

2.3 BILLION

More than Double



Peloton's stock increase from its September 2019 IPO to Jan 1st 2021:

530%



+135%

\$1,895

Starting price of a Peloton Bike (not including subscription costs)

Treadmill sales from Mar. to Oct. 2020

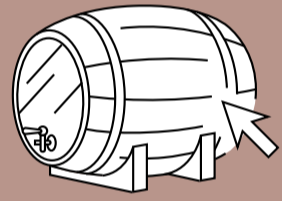
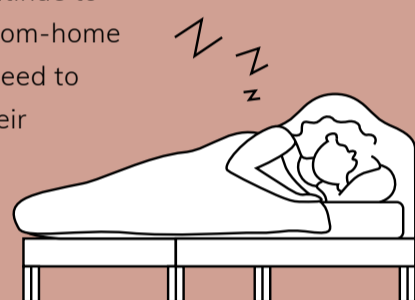
ALCOHOL



One of the big winners in 2020? Alcohol. The pandemic brought out our inner party animal with libations and booze flowing plentifully. During the pandemic, wine, spirits, beers, and other alcohol were bought fervently, with the bulk of the purchases made online through major delivery channels like Drizly. While bars and restaurants will see an uptick in visitors, it'll be hard to make the argument for \$15 glasses of wine when you can get a bottle of the same quality for that price.

MATTRESSES AND HIGH END FURNITURE

With so many of us stuck at home for so long, it's only natural some home improvement was necessary and that sleep was really, really important. This was reflected in the major increase in big-ticket furniture and mattress sales that is likely to last beyond 2021 as companies continue to have a work-from-home dynamic and need to supplement their home office.



Average D2C wine order in 2020

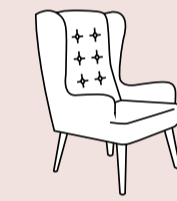
\$244.19

153.04%

Increase in eCommerce D2C wine sales

U.S. Alcohol eCommerce sales in 2020, up from \$3B in 2019

\$5.6B



47%

Increase in online furniture sales in 2020

97%

Increase in online transaction volume for home products & furnishings

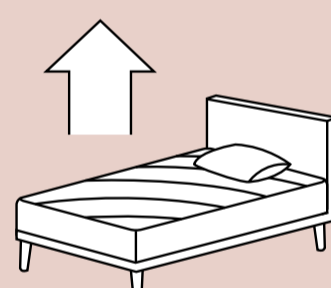
10 YEARS



The time Drizly expected to reach the eCommerce penetration it experienced during the pandemic

30%

YoY increase in Mattress sales in 2020



PERSONAL TECH

(wearables, desktops, & laptops)

As the internet integrated in our lives even more, many saw an opportunity for an upgrade. With more people working remotely, consumers looked for ways to have a more productive home office (or to improve their gaming setups). Smart watches, AirPods and other wearables were also in high demand, likely due to the increase in at-home exercise. Whatever the reason, the pandemic was kind to the gadget industry, and will continue to be the case given the hybrid work model that's currently in play.



302M

Number of laptop and desktop computers sold in 2020, a 13% increase



124%

Expected increase in ear-worn wearables spending from 2019 to 2022

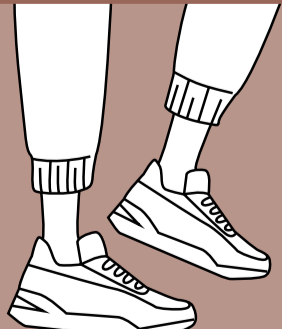
\$81.5B

Expected size of the smart wearables industry in 2021, up from \$69B in 2020



ATHEISURE

2020 turned home life into the runway, with athleisure becoming the way to show off one's style. While many fashion retailers and brands suffered during the pandemic, athleisure companies saw the opposite, with growth skyrocketing through 2020. As at-home fitness, equipment and online classes were embraced by a shut-in consumer crowd, the need for relevant apparel had never been higher.



200%

increase in Marks & Spencer's online activewear sales for women from March to September 2020

84%

Increase in athleisure sales since the beginning of the pandemic

Amount made in sales in 2020 for Target's athleisure brand launch

\$1B

JEWELRY AND WATCHES



It seems like no matter what crisis people are going through, there will still be room in the budget for items like jewelry and watches. While the pandemic hit luxury brands and retailers particularly hard, those with a little extra income from the lack of vacations and new stimulus payments turned their focus to luxury accessories. Surprisingly, the demand for high-priced secondhand and luxury consignment items rose dramatically in 2020 - a market that's rising even faster as we make our way past the pandemic.

48%

Increase in sales for watches ranging from \$50K-\$100K from 2019 to 2020.

\$51B

The expected size of the luxury apparel and accessories consignment market by 2023

106%

Increase in US jewelry sales from March 2020 to March 2021

