The Bottom Line
Retail Sales Recovery – the Journey Back

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Statistics Canada released the July 2020 retail sales on September 18, 2020. Canada's unadjusted retail sales of $57.2 billion were up 5 per cent on a year-over-year basis. Over the same period, Manitoba's retail sales had rebounded sharply with an increase of 11 per cent, to $2.1 billion, and in the Winnipeg Census Metropolitan Area (CMA) retail saw sales of $1.3 billion, up 10 per cent. While these results are a positive sign, the underlying data presents a more complicated picture.

Two retail subsectors declined at the beginning of the pandemic and remained below last year's sales, not only in Manitoba but across the country. In Canada, year-over-year clothing sales were down 12 per cent, while gasoline sales were down 14 per cent. Both sectors were down in Manitoba, but to a lesser extent: gasoline (-4%), and clothing (-7%). In the Winnipeg CMA, clothing sales declined 7 per cent, while gasoline sales were still down 9 per cent.

In Manitoba, health and personal care retail sales rose 44 per cent year-over-year while miscellaneous retail sales were up 30 per cent year-over-year. In the Winnipeg CMA, the top two gainers a year-over-year basis were **building materials**, (+21%), and **electronics and appliances** (+17%).
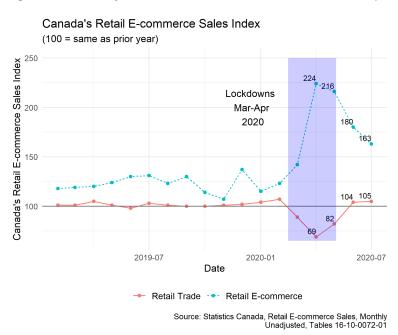
Figure 1: Year-over-year Index of Canada's retail E-commerce sales (100 = same as prior year)

Source: Statistics Canada, Retail E-commerce Sales, Monthly Unadjusted, Tables 16-10-0072-01

Typically, e-commerce sales peak in November and December, while rising steadily over time. The COVID-19 lockdowns were a game changer, with Canadian e-commerce sales surging to $3.9 billion in May (index value of 216). While e-commerce sales have since fallen as in-store retail has enjoyed a recovery, at $2.8 billion (index of 163) e-commerce still is strong, well above all pre-COVID-19 e-commerce sales.

While large retailers often have their own e-commerce platforms, small and medium businesses can offer e-commerce to their customers in a variety of ways.

Adding an e-commerce sales channel using platforms like Shopify and enhancing store tools from local firms like Bold Commerce can help retailers' de-risk a greater share of their revenues, protecting them against a variety of disruptions.